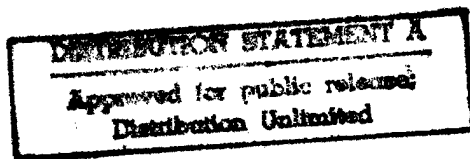


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# USSR Report

NATIONAL ECONOMY



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20 MAY 1987

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### NATIONAL ECONOMY

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## PLANNING, PLAN IMPLEMENTATION

### PROPORTIONALITY CONCEPT IN PLANNING EMPHASIZED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 2, Feb 87 pp 38-47

[Article by M. Sidorov, doctor of economic sciences: "Interrelationship Between Efficiency and Proportionality in National Economic Planning"; first paragraph is PLANOVOYE KHOZYAYSTVO summary]

[Text] The planned maintenance of proportions between the factors of production is a most important prerequisite for accelerating the growth rates of the national income. Structural shifts in the economy and raising the efficiency of social production.

Qualitative improvement of all the elements of society's productive forces and guaranteeing dynamic compatibility between change in the size of national economic resources related to structural shifts and the broad-scale application of the advances of scientific-technical progress represent the basis for the transition to the intensive type of social production.

Proportionality in economic development is an indispensable condition for the rise of its efficiency. At the same time sectoral and regional proportions and proportions in reproduction are shaped both under the impact of the distribution and redistribution of labor and physical resources and also as a result of the rise in the efficiency of their use. The dialectical interaction between the change of proportions in the national economy and the rise of production efficiency determines the rates of socioeconomic development and is a most important factor in the stability and steadiness of economic growth.

The growth rates of the national income have ever greater importance to description of the efficiency of economic and social development. The various aspects of improving the sectoral and regional structure of the economy move into the foreground in this connection. One and the same size of the national income in value terms used for accumulation and consumption may include use values of differing makeup and quality. Structural policy is aimed at increasing the share of progressive products, which guarantee high efficiency of product use in the spheres of social and personal consumption, in the physical makeup of the funds for reimbursement, accumulation, and consumption within the gross social product. The task of raising the growth rates of the national income should not be equated with the "pursuit of the gross." If gross output is used as the principal performance indicator, then it is obvious that the

motivation of sectors and enterprises to produce materials-intensive products is inevitable. When net output performs the role of the principal indicator, then there may be a tendency to increase the share of wages-intensive products; and when the orientation is toward profit, the economic interests of enterprises shift in the direction of increasing the output of profitable products.

But optimum combination of state planning and the economic independence of enterprises, the use of standards stated in value and physical terms, and planning the list of products realign economic interests of production units from the standpoint of their consistency with the goals of the national economy.

In the context of balanced and efficient economic development, when there is a flexible mechanism for changing the structure of production, higher growth rates of the national income make it possible for society to satisfy the growing and changing needs to an ever fuller extent and more rapidly and to accelerate performance of the socioeconomic tasks set by the 27th CPSU Congress.

The proposition is sometimes advanced that in the context of high growth rates of production (and accordingly of consumption) it is difficult to modernize the productive plant that is in place, to improve the balance of the economy, to improve product quality, and to make the product mix more diverse. In our view, setting the rates of economic development in opposition to proportionality in economic development reflects the inertia of the economic thinking that took shape in the context of the predominantly extensive type of expanded reproduction, when high growth rates of the national income were achieved by rapidly calling upon additional labor, natural and physical resources for production (which was at that time possible). At that time the proportions in reproduction, sectoral and regional proportions, and the relationships among labor resources, the means of labor, and the subjects of labor changed under the impact of the accumulation of the productive plant and the emergence and development of new sectors and types of production operations. The growth of the national income was achieved mainly by accumulation, by increasing volumes, not by renewing the fixed productive capital and products on a new scientific-technical basis.

Acceleration of the process of intensification of social production and improvement of the economic mechanism are creating the conditions which are indispensable if such goals of economic development as augmenting the volume of production, improving the mix of the products produced, and improvement of product quality are not to contradict one another, but to complement one another. This has been reflected in the party's economic strategy in the present stage, which calls for high and stable growth rates of capital investments, use of those investments for the material embodiment of recent advances of scientific-technical progress, the interest of the workers in the growth of the results of work, accompanied by direct relationship between those results and the remuneration of labor.

Speeding up the pace of social production is bound up with more rapid renewal of the assortment of products produced and has the result that in the calculation of the growth rates of the social product and national income even in comparable prices there is an increase in the numerator of the share and volume of



new products, which are denominated in the new prices actually in effect. The growth rate of output can itself be divided into two components: the growth rate of traditional products manufactured both in the base period and in the reporting period; the growth rate of new products which began to be manufactured in the period for which the overall index of the growth of production is being calculated. The second component is in fact computed in the prices which actually were set on the new product, since this product was not produced previously.

When the rise of prices of new means of production or consumer goods is faster than the rise in the performance characteristics of products, an additional factor tending to augment the national income is created which has no relation to increasing the national economy's production performance. Assignments for speeding up the pace of production when consumers do not have a corresponding vigorous impact on equality and effectiveness of the product could cause an increase in the share of this additional factor in the growth rates of the national income. The course which has been set toward accelerating economic growth must be accompanied, then, by strict regulation of the level of prices and the rise in product quality. The tendencies which have come about in recent years, when the estimated cost of projects to be built rose steadily (as compared to the design cost) and when retail sales in current prices increase considerably faster than in comparable prices, have to be overcome.

Proportionality between the size of the labor force in the economy and the accumulated fixed capital on the one hand and the size of fixed productive capital and physical resources to be processed on the other figures as a most important prerequisite for acceleration of economic development.

In planning calculations the index of the capital-labor ratio is used as the connecting link in substantiating the dependence of the growth rates of labor productivity on the growth of the volume of capital investments and the corresponding growth of fixed capital. At the same time it is also a parameter of balance between the size of the labor force in physical production and the size of productive capital (adjusted for the shift coefficient).

But the rise of the capital-labor ratio brings about a sufficient increase in labor productivity only when the newly created jobs are filled by a corresponding liberation of labor resources from other production operations and when the ratio between the technical-and-economic parameters and the costs of creating the fixed productive capital to be introduced exceeds the analogous ratio to the fixed productive capital being retired of the consequence of physical wear and obsolescence of machines and equipment.

In solving this problem it is indispensable to make an accurate reckoning of the regional aspects of reproduction of labor resources and of their movement from enterprise to enterprise and sector to sector in the production and non-production spheres in order to substantiate the sectoral and regional distribution of capital investments.

The long-range plan for capital construction in the region must be linked to the regional balance of labor resources, in which the additional need for labor

resources has to be brought into conformity with the actual amount of labor resources made available at existing enterprises. The prerogative in shaping regional balances of labor resources must go to regional management entities, and they in turn might state the requirements which sectoral management entities must meet as to making labor resources available from existing enterprises.

At the present time regional balances of jobs to be created and the possible growth of labor resources quite often fall outside the field of vision of project planning organizations of ministries and departments. The main reason for this is that the so-called specific saving on labor resources as a result of the rise of labor productivity is regarded as one of the principal indicators of the efficiency of projects for enterprise reconstruction. In calculating it a determination is made as to how many additional workers would be required for the planned volume of production if labor productivity at the enterprise undergoing reconstruction remained at the previous level. This hypothetical calculation does not take into account the increase in the real need for manpower. In our view all computations of the hypothetical saving must be eliminated from planning practice; the reference must be to a real liberation of labor resources and a real saving on capital investments and physical inputs. Here regional planning agencies must obviously be given the right to reject reconstruction projects which do not take into account regional balances of labor resources. In our view such a measure will become an important prerequisite for the rise of labor productivity and for stabilization of the output-capital ratio at both the regional level and also the level of the national economy. It is accordingly advisable to use in planning the principal indicators of economic development standard ratios between the growth rates of fixed productive capital and the growth rates of the size of the labor force in physical production, and these would be differentiated by economic regions.

The levels of these standards must be determined so as to take into account the opportunities to find labor resources to fill the jobs created in the region.

Under these conditions the capital investments in the region's economy are optimally divided into two components: those which create new jobs and those which achieve a real liberation of labor resources from existing enterprises. If there is not a corresponding growth of labor resources in the region and net migration is zero, new jobs can be filled only by liberating labor resources.

It is also indispensable to calculate the indicators of the cost of the job and the cost of liberating one worker. Dividing the capital investment committed to creating new jobs by the cost of one job gives us the index of the need for labor resources. The number of workers being made available is determined by the ratio of capital investments used for mechanization and automation of production to the cost of making one worker available. These indicators are indispensable in statistical reporting and in planning practice.

The higher the efficiency at which physical resources brought into economic circulation, that is, the lower materials intensiveness and the higher the level of technological productivity of fixed productive capital, the more national income will be produced relative to the size of fixed capital. Moreover, the growth rate of the output-capital ratio is equal to the sum of the

growth rate of the yield from materials, which is calculated as the ratio of national income to fiscal inputs, and that of the technological productivity of fixed productive capital, which is defined as the ratio of physical inputs to the volume of fixed productive capital.

The new thing here is the indicator of technological productivity of fixed productive capital, which essentially complements the indicators of materials intensiveness and the output-capital ratio. It registers the interaction between fixed capital and physical resources. The higher this indicator, obviously, the more physical resources are processed by the fixed capital over a particular time interval, the higher its productivity is, and the more thoroughly the raw materials and supplies are utilized. A drop in that same indicator shows a slacking off of utilization of the productive plant.

In recent years the rapid growth of fixed capital has not been backed up by a corresponding growth of the physical resources drawn into economic circulation, and this has contributed to the drop in the output-capital ratio and a decline of the growth rates of labor productivity and the national income.

The drop in the technological productivity of capital in industry--by 34.5 percent over the period 1970-1985--should be regarded as a most unfavorable phenomenon. In other words, if in 1970 one unit of fixed productive capital "processed" one unit of physical inputs, then in 1985 it processed about 0.66 of a unit.

It should be taken into account, however, that physical inputs and fixed productive capital are composite indicators which include various types of physical resources and the implements and aims of labor differing in their functional purpose. Within the totality of physical inputs raw materials and supplies enter into direct interaction with the working machines and equipment that are part of fixed productive capital.

If we take the ratio of expenditures for raw materials and supplies to the value of operating machines and equipment in industry as 100 in 1970, then in 1985 it was 56. This indicator has been dropping even more than the overall indicator of the technological productivity of capital. This confirms the conclusion that a disproportion has formed in the economy between the implements and subjects of labor and that the drop in the materials intensiveness of production has been slow.

Important tasks have been outlined in the 12th Five-Year Plan: the growth rate of the manufacturing branches of industry is to be twice as high as that of the extractive industry, and the materials intensiveness of industrial output is to be substantially reduced. At the same time it is advisable in the drafting of annual plans to conduct a comparative analysis of the rate of reduction of materials intensiveness and the rate of change of the technological productivity of fixed industrial productive capital (especially in the manufacturing branches) in order to eliminate the incompatibility that came about in the years of the 11th Five-Year Plan between the growth of the output of the means of labor and that of the subjects of labor.

When fixed productive capital grows faster than the size of physical resources being processed, this aggravates the scarcity of many types of raw materials and supplies and results in underemployment of fixed capital. As an additional measure to improve the comprehensive use of the means and subjects of labor it is advisable to introduce into the practice of national economic planning the calculated indicator of the technological productivity of fixed productive capital.

Depending on the level of technology attained in any branch or any type of production operation there is a need for a certain makeup of the instruments of labor to process a given quantity of the subjects of labor. There is also a maximum limit (standard allowance) on the size of fixed productive capital per unit of the subjects of labor to be processed that is objectively determined by the technology. In principle this standard can be computed on the basis of technically progressive designs for construction of enterprises for the given type of production. In metallurgy this might be the volume of fixed productive capital per ton of pig iron or steel, in the timber and lumber industry the value of capital per cubic meter of timber being processed, in machinebuilding per ton of rolled products processed, and so on.

If the actual level of the technological productivity of fixed capital proves to be lower than the design level, this will be evidence either of insufficient allocation of raw materials and supplies to that branch or of insufficiently comprehensive and optimum utilization of physical resources.

Determination of the standard levels of technological productivity of capital in the processing of the most important types of physical resources and for the most typical and widespread types of machines and equipment can also be regarded as economic requirements imposed on scientific-technical progress and on the efficiency of new machines and processes.

Guaranteeing comprehensive and highly productive processing of natural resources, intermediate products, and semifinished products in the subsequent stages of the technological chain of the national economy, including the production of the end product which goes to stocks for consumption and accumulation, should be regarded as one of the most important factors for stabilizing and increasing the output-capital ratio.

Using standard levels of the technological productivity of capital in planning eliminates the narrow sectoral approach to designing models of machines and equipment capable, say, of improving the processing of resources only in a particular stage of the technological process. It is not just a question of merely creating lines of machines for particular horizontal links in the technological chain of the national economy, but of designing and producing technological systems of machines and equipment which guarantee comprehensive and efficient processing of the natural resources through all the stages of the technological process until the end product is obtained.

The balance between live and embodied labor and between the instruments of labor and the subjects of labor is thus an indispensable condition for raising production efficiency and accelerating the growth rates of the national income.

An indispensable condition, but not a sufficient one. There has to be a thorough revamping of the structure of social production, including renewal of the productive plant that is in place on a new scientific-technical foundation as well as for shifts in the structure of the products produced.

The most vigorous means of changing the structure of social production and increasing production efficiency is the distribution and redistribution of capital investments among the various sectors of the economy. Accelerating economic growth depends in large part on increasing the efficiency of capital investment and on conducting a differentiated policy governing their distribution.

The distribution of capital investments among sectors is closely bound up with the intersector compatibility of each branch's development and with selecting the leading branches, those which have priority. Identification of the leading branches depends above all on the level of economic development, the potential that has been built up and the degree of satisfaction of social and personal needs for the product of the particular sector. In each phase of development priority in the distribution of capital investment goes to the sectors which are on the cutting edge of scientific-technical progress; those whose products are used in a majority of the sectors of the economy and contribute to lowering the indicators of labor intensiveness, capital intensiveness, and materials intensiveness; those in which a competitive product can be launched on the world market in a short period of time; and those where the size of the gap between the volume of production and the need of the national economy for the product in question is greatest.

Increasing the share of capital investments being committed to machinebuilding and to the chemical and petrochemical industries and to the electric power industry is unquestionably helping to accelerate scientific-technical progress in the national economy and contributing to its retooling.

In the 12th Five-Year Plan the traditional priority in the distribution of capital investments is being supplemented to an ever greater degree by the commitment of a growing amount of capital investments to progressive and advanced production technologies in every sector of the economy and to expanding the production of the end product that goes into national economic circulation rather than circulation within the sector.

A change of sectoral proportions in distribution of capital investments that is balanced against the corresponding intersector redistribution of labor and physical resources brings about an increase or decrease of the shares of the particular sectors in the structure of fixed productive capital and as a consequence causes a change in the sectoral structure of the output produced if the indicator of the output-capital ratio is stable. The level of correspondence between sectoral shifts in distribution of capital investment, changes in the structure of fixed productive capital, and the output produced is determined by comparing coefficients of variation of the structure.

In general form the coefficient of structural shifts is defined as the sum of the differences (in absolute terms) between the relative share of the sectoral

indicator in that of the national economy over the period  $t$  and its relative share over the period  $t - 1$ .

A study of the interrelationship of the intensiveness of structural shifts (in sectors and regions) with the dynamic change of indicators of production efficiency and performance of an intersector and interregional comparative analysis on that basis indicates potential for a rise of efficiency related to one degree or another to the dynamic nature of the structure of production and distribution of resources.

In recent years the change of the sectoral structure of the social product has slowed down. For instance, the coefficient of structural shifts in the social product was 4.0 in the period 1971-1975, 2.5 in the period 1976-1980, and 0.8 over the period 1981-1985. This also indicates a shrinking of differences in growth rates of the sectors of the economy, which in turn was related mainly to a slowing down of the growth rate of industrial production.

Slower change has also been typical of the branch structure of industry in recent years. For instance, the coefficient of structural shifts calculated for a 10-branch structure of industrial production was 5.2 over the period 1971-1975, 4.9 over the period 1976-1980, and 3.5 over the period 1981-1985. This is mainly related to a slowing down of the growth of the share of machinebuilding and the chemical and petrochemical industries in the total volume of industrial output, which in turn results from changes in the sectoral structure of capital investments. The share of capital investments committed to the chemical and petrochemical industries in the total volume of capital investments going to industry dropped from 9.1 percent over the period 1971-1975 to 7.7 percent in 1985, while in machinebuilding it rose over that period from 22.3 to 24.7 percent, i.e., 2.4 percentage points, but the relative share of the output of machinebuilding in industrial output rose 10 points.

Whereas in 1970 the share of the output of machinebuilding was comparable to the shares of light industry and the food industry, by 1985 the relative share of machinebuilding exceeded the share of light industry and the food industry. This is a natural tendency, but such a rapid drop in the relative share of light industry and the food industry, resulting mainly from the drop in the share of agriculture in the structure of production, did not altogether correspond to the rise in the needs of the public for foodstuffs and industrial consumer goods.

On the whole machinebuilding, light industry, and the food industry produced more than 55 percent of the volume of industrial output; this is close in its total share to the share of the net output of industry in the national income. The largest share of their products takes part in forming consumption and accumulation funds, which is why when these branches develop more rapidly there is a more rapid growth of the output of end products in the national economy as compared to intermediate products.

In the 12th Five-Year Plan priority in development is going to industry, above all its manufacturing branches. The rate of growth is twice as high as that of the fuel and raw materials branches, which serves as an important factor for

increasing the output of finished products going to make up the consumption and accumulation funds of the national income.

An analysis of the structural breakdown of growth rates of production by branches and sectors needs to be combined with a study of the influence of structural shifts on efficiency indicators, thereby at the same time determining the contribution which the branches and sectors make to the overall level and dynamic behavior of those indicators. It is obvious that an increase in a sector's contribution to the overall growth of production may also be accompanied by higher consumption of labor resources and physical resources than in other sectors or branches.

We will define the ratio of a sector's contribution to the growth of the result of production and its contribution to the national economic indicators of labor, materials, and capital intensiveness as the sectoral structural indicators of production efficiency. A rise in this ratio as the gap narrows between the volume of production in the sector and the need for its products reflects a rise of production efficiency.

The relationship among the levels of the efficiency indicators of the sectors of the economy indicates their sectoral differentiation, but it does not describe the sector's share in the national economic indicator of efficiency. For that purpose the sectoral indicators of efficiency are weighted by the share of the sector's net output in the national income.

Industry accounts for three-fourths of the indicator of materials intensiveness, more than half of the indicator of capital intensiveness, and nearly 45 percent of the indicator of the labor intensiveness of the national income. If we compare these figures to the contribution of the net output of industry to the growth of the national income, then we will find the relative reduction of industry's share to the results of production and a rise in the relative contribution to materials, capital, and labor intensiveness of production. But the absolute level of industry's contribution to the growth of the national income exceeds its share to the national economic indicators of labor intensiveness and capital intensiveness. This indicates that labor resources and fixed productive capital are being used more efficiently there than in the other sectors of the economy.

The share of the construction sector to the national economic indicators of capital and labor intensiveness has been increasing, which, assuming that the share of construction's net output in the national income is stable, indicates a drop in the efficiency of utilization of labor resources and fixed capital in the construction sector.

The drop in the share of the net output of agriculture in the national income (from 21.7 percent in 1970 to 19.4 percent in 1985) resulted in a stabilization of this sector's contribution to the national economic indicators of materials and labor intensiveness in spite of a rise of these indicators in the sector. The increase in the labor intensiveness of the net output of agriculture was more than offset by the drop in its share in the national income, which was brought about by a drop in the sector's contribution to the labor intensiveness of the national income.

These trends indicate that from the standpoint of the level and dynamic behavior of production efficiency agriculture cannot be compared to any other sector of the economy.

The branches of industry are distinguished by considerable differentiation of efficiency indicators. Combination of higher capital intensiveness with a lower level of labor intensiveness than is the average for the industrial sector as a whole is typical of the fuel industry, ferrous metallurgy, and the chemical industry. In addition to the specific features of the production technology in those branches, this indicates a more intensive process of replacement of live labor by embodied labor than is the average for the industrial sector as a whole. The faster-than-average growth of these branches is helping to reduce labor intensiveness and raise the capital intensiveness of industrial production.

The lowest capital intensiveness of production is in light industry and the food industry, where the indicators of the labor intensiveness of production are also below the average for the industrial sector. The accelerated development of these branches is bringing about a drop in capital intensiveness and labor intensiveness of industrial production. But the lower capital-labor ratio in light industry and the food industry indicates insufficient saturation of these branches with highly productive modern equipment, automatic production lines, and the necessary infrastructure for production, which is causing the rise of product quality to be low, while the product assortment is insufficient and utilization of raw materials is incomplete.

The highest level of the labor intensiveness of production is noticed in machinebuilding, but it has a stable tendency to decline. The high level of labor intensiveness of machinebuilding production also results from the high share of assembly work which is difficult to mechanize and automate.

In addition, intersector relations have not been sufficiently developed as yet; at most enterprises there is a high level of the barter economy; and there has not been sufficient standardization of similar assemblies and parts. Solving these problems in the 12th Five-Year Plan and during the nineties will contribute to the rapid drop of the labor intensiveness of machinebuilding production.

The structural indicators of production efficiency need to be raised in practically all branches of industry, since increasing a branch's contribution to the indicators of capital and labor intensiveness of industrial production is not as a rule accompanied by an increase in its contribution to the results of production. Moreover, the approach of the structure of production to the structure of the needs of the national economy is slow. There is a growing strain on balances of the distribution of resources and products. A structural breakdown of the indicators of costs and results of production thus affords additional information for studying production processes in sectors and branches and for making planning decisions about structural shifts in combination with the necessary change of indicators of efficiency.

Relying on the forecast values of the sectoral structure of the economy and the branch structure of industry, the indicator of labor, materials, and capital



intensiveness of the sectors and branches, it is possible to determine the national economic indicators of efficiency, the anticipated growth of the national income and industrial output, the need for labor resources and capital investments, as well as to calculate various alternative versions of economic development in which the structural indicators of production efficiency are varied.

The present levels of economic development dictate the need for more thorough study of the factor of the regional structure of production, the peculiarities of the process of reproduction in the union republics and individual regions in close interrelationship to the efficiency of utilization of labor resources and physical resources.

The change in the rates and proportions of economic growth and improvement of the intersector and intrasector structure of production under the impact of scientific-technical progress on the scale of the entire country depends on how these changes are realized in the individual regions.

The regional aspect of studying the reproduction of the social product indicates that production, distribution, exchange, and consumption of products are ultimately secondary to the reproduction of labor resources and fixed capital. The patterns of reproduction and of the formation of the sectoral and regional structures of labor resources and fixed capital are more global and long-term than the annual cycle of reproduction of the social product. Regional proportions of labor resources and fixed capital are therefore the basis for formation and change of the regional structure of the output produced. Balance of labor resources, the implements of labor, and the subjects of labor in a regional breakdown also determines the proportionality of reproduction of the country's social product and compatibility in development of the most important sectors of the economy.

Defining growth rates of the national income as the sum of the products of the growth rates of the net output of regions by the share of the net output of the regions in the national income also makes it possible to determine the region's contribution to the overall growth rate of the national income. The higher the relative share of the region's net output in the national income and the faster the region's net output is growing, the higher that contribution will be. The growth rate of production in the region depends in turn on the growth of labor resources and physical resources and the efficiency of their use. So the relationships below are valid

$$T = \sum_{r=1}^m (T_{l_r} + T_{f_r} + T_{h_r}) d_r = \sum_{r=1}^m k_r \eta_r d_r,$$

in which  $T$ --rate of growth of the national income;

$T_{l_r}$ --growth rate of the labor force in the physical production of the region  $r$ ;

$T_{f_r}$ --growth rate of the output-capital ratio in the region  $r$ ;

$T_{h_r}$ --growth rate of the capital-labor ratio in the region  $r$ ;

$k_r$ --efficiency of capital investments in the region  $r$ ;

$\eta_r$ --ratio of capital investments to net output in the region  $r$ ;

$d_r$ --share of the net output of the region  $r$  in the national income.

If the growth of the volume of production in the region is achieved predominantly thanks to a rise in the share of capital investments in the region's net output, a growth of the labor force in production, and a rise in the capital-labor ratio, this indicates a predominance of extensive factors; conversely, a rise in the output-capital ratio and efficiency of capital investments indicates the intensive mode of development of regions.

In order to smooth out differences in the sectoral structure of individual regions efficiency indicators can be calculated with respect to a uniform sectoral structure, say that of the national economy, and then an interregional comparative analysis is made of the growth factors of the net output. It is obvious that for the national economic efficiency of capital investments to be stable and to show a growth trend, the drop of this indicator in certain regions must be offset by its rise in others. A drop in the efficiency of capital investments is usually related to an increase in specific capital investments in the extractive branches of industry and in agriculture. The rise in the efficiency of capital investments in the manufacturing branches must figure as the compensating factor here.

Interregional analysis of the proportions in distribution of capital investments among the extractive branches, agriculture, and the manufacturing branches and also of the dynamic behavior of the indicators of efficiency of capital investments in these two sectors of the regional economy makes it possible to state requirements which scientific-technical progress must meet from the standpoint of stabilizing and increasing the national economic efficiency of capital investments.

An active structural policy is thus a most important means for increasing the efficiency of social production and for making its development more dynamic. Improvement of national economic proportions, increasing production efficiency, and sectoral and regional shifts in the structure of distribution of capital investments should be regarded as closely interrelated economic processes whose planned management makes it possible to achieve the goals of the country's economic and social development.

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## MODELING, ECONOMETRICS, COMPUTERIZATION

### UNDETERMINED STATUS, COST OF STATISTICAL INFORMATION DECRIED

Moscow VESTNIK STATISTIKI in Russian No 1, Jan 87 pp 27-30

[Article by L. Kats, Scientific Research Institute of the USSR Central Statistical Administration: "On the Problem of the Cost of Statistical Information"]

[Text] In recent years, the question as to whether or not consumers should have to pay for statistical information has been raised more frequently.

It bears emphasizing that statistical information, similar to any other type of information, has use value, regardless of whether it is primary (that is, it passed through only the stages of "statistical observation and the collection of information") or final information (that is, it additionally passed through the stages of processing, transfer over to technical carriers and issuance to the consumer). However, only statistical information which has undergone machine processing is considered to be an object of labor expenditures. All work carried out by numerous VTs's [computer centers], including the VTs of the TsSU [Central Statistical Administration], confirms this fact. The absence of a wholesale factory price for recently obtained primary statistical information, similar to its cost during any stage in the technological chain for collection, processing and production, has created the impression among users of this information that it costs nothing.

Meanwhile, all experience accumulated by collective and individual users, and also by those who are engaged in this technological chain, indicates that this is far from being the case.

If statistical information, regardless of the processing stage in which it was in, acquired in legislative form the property of being a carrier of value, there would be many changes in statistical theory, ideology and practice. Thus, for example, rather powerful levers would appear, the use of which would make it possible to improve and perfect state statistics more effectively, a goal which the statistical organs are presently attempting to achieve.

In the practice of state statistics, a situation has developed in which statistical information, which is a prerogative of the organs of state statistics and which circulates in ascending, descending and many "lateral" flows, lives and exists based only upon the rights of a certain legally

prescribed substitution, which clearly does not have value. It is for this reason that a vast number of economic and scientific-research organizations, organs, ministries, committees, departments and also private customers request data not in reasonable or humble volumes, but rather they appear to operate on the principle of "the more the better." It is always possible to select that which is needed from a large volume, but it is not mandatory to analyze that which is needed. Yes and why is this necessary if there is no need to pay for the statistical information regardless of its volume. And at times it is possible to request data from related branches which are of little interest to a customer, from remote branches which generally have no relationships with a user and it is also possible to duplicate an earlier order.

If statistical information is purchased as a product and its cost is borne fully by the user, then there will be an immediate reduction in its volume: it will become more expensive. In other words, if statistical information has a tangible cost, then it will have a positive effect on many aspects of socialist management, on operational branches and scientific knowledge and also on the subjective-psychological aspects associated one way or another with its use and with evaluating its role and purpose.

Permit me to enumerate, however briefly, the problems requiring solutions.

First of all, there is a need for understanding the status of statistical information as a cost category for goods or services. It must be clearly developed in political economics and specific economics, with all of the attendant consequences. And goods and services -- the carriers of the properties of value, production cost, quality, labor intensiveness and efficiency -- can be measured in natural units. A need will appear for measuring efficiency, which is represented by the direct function of such arguments as importance, repeated utilization, value, production cost and field of knowledge. It should be pointed out that the effectiveness of any information (and not just statistical information) is obviously very high compared to the effectiveness of the production of other types of goods and (or) services. As a result of acquiring a better understanding of the status of statistical information, a need will exist for solving those problems associated with converting all or a part of the system of state statistics over to the sphere of material production or to the sphere of services.

This includes an examination of such financial categories as the planning of profits by statistical organs, their conversion over (perhaps only partially) to cost accounting units, the problems of self-repayment, state subsidies, wages and bonuses for carrying out the financial plan for the production of statistical information and others.

In the area of information, an opportunity will appear for carrying out analysis aimed at defining more precisely the principal characteristics of statistical information -- such as need, accessibility and others. In particular, use can be made of the characteristics for frequency of requirements and repetition for lowering expenditures and for carrying out work aimed at optimizing the information.

After the mentioned theoretical problems have been worked out, it will be easier to solve the practical economic questions concerned with technological processing, the cost of which must naturally be included in the production cost for the information-product, questions concerned with the duration of storage for information of value and which is constantly changing, the value of the stored information must be correlated with the cost for using it and solutions must be found for the problems of computer equipment renovation, while taking into account the cost for the production of information, not to mention an evaluation of the cost of each stage of technological processing and for determining the wage fund.

The psychological problems requiring solutions include: first of all, the breaking down of thought stereotypes associated with the obvious free nature of statistical information, the development of an inner conviction on the need for the proposed reorganization; secondly, after this reorganization has already been carried out -- a regular motivation form for activating the information stored.

However, the work is not restricted by the factors mentioned. From an organizational standpoint, the system of state statistics can be seen as an analog of a ministry (department), the enterprises of which produce material values or services and thereafter the organizational plans of the statistical organs will obviously be changes in keeping with the example set by the appropriate services and organizations of the ministries. Assortment offices will appear, for example, which will be responsible for periodically analyzing the need for additional indicators or, conversely, for eliminating excess ones and the feasibility of employing them for state flows of information; dispatcher services will become the prototype for services responsible for monitoring the schedules for the formation and sending of statistical data; analogs for the organizational plan are being sought for the logistical supply services, the price formation service, the labor and wages service and many others.

It is possible to discuss changes which will take place in the social sphere. Based upon a computation of labor-intensiveness and the cost of statistical information, it will become possible to measure labor productivity, to establish norms for it and to evaluate the fulfillment of plans. Generally speaking, a question may arise with regard to transferring a portion of the employees engaged in collecting and processing information over to the group of specialized workers, with their categories, wage scales and rates.

Personnel training also requires solutions for a number of problems. The training plans will be composed on a new basis from the standpoint of quality, with a basically new approach being employed for statistical information, similar to a product or service. In the process, the requirements for specialized workers and highly skilled office and manual workers must be taken into account.

During the final stage in developing the theory, wherein statistical information is understood to mean a product having value, it will also be necessary to develop appropriate terminology and in a normative manner to define such terms as "information product," "cost of statistical

information," "structure for the cost of statistical information," "net cost of statistical information," "conditional net cost of statistical information," "direct and overhead expenses for the production of statistical information" and some others.

At the same time, work must commence in connection with defining the nomenclature and specific values for the norms required for producing the product -- statistical information -- such as the proportion of overhead expenses embodied in the complete cost of the statistical information and others.

Finally, a legal study is required for all of these changes (and for many others not mentioned here) and legal principles must be created for the functioning of the existing cost for statistical information -- a forecast of changes within the system of traditional (in operation at the present time) legislation, the formulation, approval and publication of new rules for the handling of statistical information having value and also the uncovering and revocation of legislation which regulates the functioning of traditional statistical information.

Certainly, the list of problems requiring solutions could be continued, but instead emphasis should be placed upon the following factor. Here we do not have in mind governmental, party or control organs for which statistical information is the principal information model for an object called the "national economy." The essence of this model -- an inverse link between the national economy and the mentioned organs; it serves administrative purposes and it promotes the functioning of individual enterprises and the entire national economy as a whole. Here we have in mind the work of ministries and departments, for which state statistical information provides the foundation for further economic and administrative works. While spending considerable funds and labor expenditures for managing their own unregulated (and thus not insured against mistakes) statistical information, they turn to the central statistic organs which have reliable information at their disposal. They do the same thing when they start to go beyond the limits of highly specialized problems. And today the central statistical organs are still being forced to cope with the existence of departmental statistical services which duplicate their work, despite the labor expenditures and funds absorbed by them. A need obviously exists here for searching for the reserves needed for strengthening and reorganizing the organs of state statistics under the new system, such that they will be able to carry out the new tasks confronting them with regard to supplying the national economy with ministerial (departmental) statistical information.

An enumeration of the problems associated with legalizing a conversion of statistical information over to the category of goods or services should not be discussed unless one has in his hands a forecast of the situation which will arise within the system of state statistics, developed jointly by the specialists of various disciplines.

If solutions are found for all of the problems mentioned (and many others were not mentioned here), then all statistical information will be facilitated and combined in an overall system of commodity-monetary relationships. Solutions

will be facilitated for related problems, for example, the system for the sale and purchasing of PPP's [pakety prikladnykh programm; applied program packages] for the processing of statistical information (in this instance, they will become "means of production" and the system for the sale and purchasing of patents can serve as the basis or, conversely, it may turn out that it must be developed anew, in connection with the new political-economic role played by PPP's in the statistical processing of data). In any case, the cost of the packages will be included in the production cost for the statistical information and for the purpose of a pure or conditionally-pure "information product," this cost will be excluded. Solutions will be facilitated for many other problems, the existence of which at the present time, prior to preparation of the forecast, cannot even be suspected.

This present article, in the form of the initial step, calls for a study and a forecast for the possible situation under the aegis of the TsSU [Central Statistical Administration] (for example, in the scientific research institute of the USSR TsSU), in order to convert statistical information into clear commodity-production relationships.

From the Editorial Board: The problem raised by L. Kats is not a new one. On 10 September 1986, an article entitled "Lessons of Information" was published in PRAVDA. It was authored by O. Kedrovskiy, chief of an association for the management of scientific-technical information and propaganda of GKNT [State Committee for Science and Engineering] for the RSFSR. Among other subjects, the author addressed the question of the cost of scientific-technical information. The Editorial Board believes that under conditions involving an acceleration in scientific-technical progress, the article by L. Kats is rather timely and it requests the readers of our journal to express their opinions on this subject.

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### MAXIMUM YIELDS FROM GRAIN FIELDS

Kiev SILSKI VISTI in Ukrainian 14 Jan 87 p.1

[Text] Grain production is the cornerstone of the Soviet Food Program. Bread reflects the power of our country and is a measure of its wealth.

Ukraine has to produce 50.5 million tons of grain in the second year of the current Five Year Plan. The December 1986 Plenum of the CC Ukr.CP has delineated the means by which this goal is to be reached. First of all, underutilized reserves have to be harnessed. Such untapped reserves exist in virtually every collective and state farm. The employment of new technology has increased the mean harvest yield in Ukraine by 13.4 quintals. At some farms the increase was almost double that figure. Nevertheless, at many farms the expected increases did not materialize due to neglect and lack of appreciation of the new technology.

Reliable agrotechnology has to be employed to assure success on the grain fields. This is self-evident in the Ivan-Franko area. At the transportation and repair enterprises special brigades have been created that maintain and improve the equipment necessary for intensive field work. At the Horodenko RAPO, for example, all of the spraying machinery and solutions are already ready for use in chemical plant protection.

But that is not the case every where. Soil management and sowing technology appear to be particularly poor in the Crimean Oblast. Yet field work is expected to start within a month, if not sooner in good February days.

Because of weather condition in the fall not all of the winter crops were fully ready for winter. As a result the scope of sowing in spring will have to be expanded. Consequently, detailed plans should be made now by the agronomical services at each farm for the anticipated field work. We must assure that full production quotas are met. This can only be accomplished by high-quality sowing and resowing of the winter crops. Years of experience have shown that preference has to be shown to intensive-type crops, especially corn.

Corn has always come to the assistance of agricultural workers. This was again demonstrated last year. Thanks to new agrotechnology many farms produced about 70-80 quintals of corn grain. Therefore, there is urgent need to establish new brigades and teams to look after this crop and to train them in the new



technology.

In preparing for spring sowing special attention must be paid to the quality of the seeds. Unfortunately, not enough first class seeds are available at all farms. Only 83% of the seeds available at farms in the Odessa region are in this category. Things are not better in the Poltava, Nikolayev and Kirovohrad oblasts.

Grain fields are one of our most important assets. They need great care. Every winter day should be spent in preparation for the coming harvest.

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### GRAIN RESERVES IN ODESSA REGION

Kiev SILSKI VISTI in Ukrainian 20 Dec 86 p 1

[Article by A. Nochovkin, first secretary, Odessa Obkom, UkrCP]

[Text] Grain production is a measure of national wellbeing. It reflects the efforts of party, political and administrative endeavours in large grain-producing oblasts, such as the Odessa region. Consequently, one can understand the concerns of the party organizations and the grain farmers in the Black Sea area at the criticism that was directed at them at the 27th UkrCP Congress. Unfortunately, the lesson was not learned in time and this fact has to be admitted.

At the December 1986 UkrCP Plenum comrade V.V. Shcherbitskiy asserted that in the last three Five Year Plans the Odessa farmers experienced some serious failures. Despite the fact that the availability of fertilizers and irrigated fields in the oblast increased three-fold in that period of time, grain production fell by almost half a million tons. The Odessa region slipped from the first to the fourth place in grain production in Ukraine, and in terms of yields from the second to the twenty first. In the 9th Five Year Plan grain production equalled 26.3 quintals per hectare, decreasing to 21.8 quintals in the 11th Five Year Plan.

This year grain production showed a modest increase. Grain production increased by 157 thousand tons this year in comparison with last year, and by 107.7 thousand tons more than the average obtained in the 11th Five Year Plan. Although the requirements were for 350 thousand tons of grain to be delivered to consuming installations, actual deliveries totaled 705 thousand tons of strong and valuable wheat grain. As a result, the farms earned an additional 9,662,000 rubles. Over 200 Odessa farms harvested 40 and more quintals of wheat from each hectare. These results were obtained largely from fields cultivated by the intensive agrotechnology.

Experience has underscored the importance of the new agrotechnology. Even under adverse climatic conditions this year the intensive grain fields yielded 14 quintals of grain more than did conventional fields. The net result was an additional 336,000 tons of high-quality grain. However, intensive technology was not met with open arms everywhere. At the Nikolayev, Lyubashiv, Velykomikhaylovskiy and other rayons many of the technical requirements of intensive technology were neglected. Specialists have calculated that this fact reduced the grain harvest per hectare by six to seven quintals.

Concomitantly, at the Kiliyskiy and Izmailskiy rayons harvests of 39.9 and 32 quintals of wheat and corn were obtained due to the special care taken by party activists in assuring that the new technology was employed as it was intended to be.

At the Druzhba collective farm in the Kiliyskiy Rayon, where the chief agromomist is G.S. Reshetnikova, deputy of the USSR Supreme Soviet and delegate to the 27th CPSU Party Congress, grain harvests of 53.9 quintals per hectare were obtained as a result of strict adherence to the new technology.

The yield at the neighboring Svitanok collective farm was only half-a-quintal less. A few years ago the harvests there did not exceed 30 quintals. One of the key factors at these farms was the introduction of collective responsibility.

The farmers have shown similar results with the corn fields. Each hectare yielded 81 quintals of kernels. Records were set by the team of mechanics headed by the communist V.L. Solodovskiy: 132 quintals of grain were obtained per each 100 hectares of irrigated fields. The 100 quintal landmark was met or exceeded in the Kiliyskiy Rayon this year by 30 teams of mechanics working on irrigated corn fields.

However, not all the part organizations, managers, and specialists at the farms were successful in overcoming the adverse effects of drought. At many farms deadlines were not met, with 14 rayons yielding 3.6 quintals per hectare less than the average for the entire oblast. Lowest productivity was obtained in the Frunze and Ananyisvkiy rayons, with only 15.5 quintals of grain.

In comparison with previous Five Year Plans, grain production also fell short in the Nikolayev, Bilyaivskiy, Tarutinskiy and other rayons. The situation was particularly poor in the Nikolayev Rayon. In the 10th Five Year Plan the average yield was 23.2 quintals, with the present figure standing at 16.8 quintals of grain; in other words, on an area of almost 40,000 hectares grain production has fallen by 25,000 tons. The primary reasons for this catastrophe include poor or incompetent management of the agroindustrial associations, and lack of efforts directed at improving agriculture. This is clearly the fault of the first secretary of the Raykom, V.F. Bondar, and of the managers and specialists at the farms and RAPO headed by council head A.I. Doroshenko.

Serious shortcomings were allowed to take place on the grain fields, which led to a poor showing for the entire oblast. Despite some limited improvement this year, the Odessa farms failed to deliver a quarter of the planned grain harvest and half of the sugar beet quota, with similar shortages in other agricultural products.

The considerable differences among farms indicate that there is a great potential for improving the grain harvests. If all of the farms in the Odessa region were to meet average production levels this year, an additional 200,000 tons of grain would be produce.

The reasons for crop failures are being analyzed in light of the December 1986 UkrCP Plenum. A scientific council has been created at the All-Union Breeding and Genetics Institute to deal with the scientific problems underlying stable

grain production. The council includes specialists from various branches of that institute, as well as scientists from three agricultural academies, research stations, agricultural research establishments, chemization establishments, and member of the Obkom and other party organizations. The first meeting of the council dealt with an analysis of field work and development of recommendations for the second year of the current Five Year Plan. Participating in the meeting were secretaries of party Obkoms, scientists, Oblast Groprom personnel, and heads of RAPO. The council concluded that the primary factor having a negative effect on grain harvests has to do with soil erosion and inadequate moisture. That this is undeniable has been shown by the mechanics at the Rovnyanskiy state farm, headed by I.I. Cheban: instead of using plows AKP-5 aggregates were substituted in conjunction with other machinery and the grain harvests were doubled in one year. In an extremely dry season they harvested 35 quintals of winter wheat per hectare. Taking advantage of the moisture conditions, A.M. Komisarov's team of mechanics in the same Tarutinskiy Rayon at the Bessarabia state farm harvested 50 quintals of winter crops. The average grain yield for the entire rayon, however, was 22 quintals.

Party organization, heads and specialists of Oblast Groprom, and of RAPO benefited from the lessons they learned this year and from the previous years. Work was commenced on moisture retaining measures. The Obkom discussed measures for increasing machine production and other equipment for nonterracing plowing. Measures have been taken to have the October Revolution Plant of the Odesagruntomash Association produce PRN-31000 attachments for plows. To date, some 3,000 pieces of machinery have already been delivered. The plant has also commenced mass production of the AKP-5 aggregates for nonterracing soil preparation.

More than two-thirds of the fields in the oblast, some 440,000 hectares, have been prepared for the winter crops by the nonterracing method. Despite the shortage of precipitation, most of the sowings yielded adequate sprouting. The winter crop has already been fortified at almost 100,000 hectares.

Taking to heart the criticism leveled against them at the December 1986 UkrCP Plenum, the farmers have made special efforts to expand the irrigation of fallow and corn fields and improve their management. The fallow fields have been increased by 15,000 hectares, while the irrigated corn fields have been almost doubled.

The specialists and scientists have developed special programs for improving soil fertility through the use of fertilizers. Agrochemical monitoring the soils has been instituted. Almost thirty agrochemical laboratories have been opened at the rayon and state and collective farm levels. In addition, fifteen agrochemical centers have gone into operation for storage of granular and liquid fertilizers, toxic chemicals, and for the preparation of ammonia water.

High grain production will also be assured by 918 tractor-mechanized teams and plowing brigades. Of these, 739 are working according to a preconceived plan. Each team encompasses a party group or a party or a party-komsomol group. The mechanizers have already been at work on 400,000 hectares. They have initiated the All-Union socialist competition for timely and high-quality preparation of fields for the spring crops. Special attention is being accorded to combine

repair stations. Everything possible is being done to assure a timely harvest. As already pointed out at the December 1986 UkrCP Plenum, only a third of the fields were harvested at the optimum time, leading to significant grain losses.

Scientific research institutions have also assumed responsibility for improving the harvests. The communists at the All-Union Breeding and Genetics Institute took the lead. Following extensive discussions, they took under their care the farms of the Berezovskiy Rayon. The scientists decided to see to it that the rayon with the most grain fields in the oblast will produce at least 190,000 to 200,000 tons of high-quality grain.

Educational measures have also been implemented. A corn husbandry school has been created at the leading farms in the Kiliyskiy Rayon.

The farmers in the oblast are committed to harvesting at least 2,900,000 tons of grain in the second year of the present Five Year Plan, and to markedly exceed this figure in the 9th, 10th, and 11th Five Year Plans. Having overcome their difficulties, the farmers of Odessa will be able to increase grain sales to the state. The key to the solutions for our problems rests in our hands.

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### GRAIN PRODUCTION IN VOLYN OBLAST

Kiev SILSKI VISTI in Ukrainian 13 Dec 86 p 1

[Article by Ye. Kyrylchuk, head, Volyn Oblast Agroindustrial Committee]

[Text] Grain production in the Volyn Oblast encounters many difficulties. The generally poor soil is either too wet or too dry, and has historically defeated the best efforts of grain farmers. Only the construction of doubly-regulated drainage systems, better use of organic fertilizers, and the use of effective crop protection technology has improved the situation somewhat in recent years. However, administrative complexities have complicated the work of state and collective farms and have had a negative impact on grain production in the 10th and the 11th Five Year Plans.

Improvements in grain production became possible only with the institution of Gosagroprom system. In 1985 intensive technology for winter wheat production was employed for the first time on 15 thousand hectares. In comparison with conventional practice, intensive technology increased the harvest by 13.8 quintals per hectare, resulting in harvests of 39.8 quintals.

In 1986 intensive technology for winter crops was employed on 100,000 hectares. This was preceded by extensive training programs for administrators, specialists, and machine operators to familiarize them with the new developments in agriculture. In addition, specialists at collective and state farms had to undergo certification in the new agrotechnology.

The progressive agrotechnology required considerable effort and expenditures, greater utilization of chemicals, and improved technological operations. But these expenditures were more than recovered at most of the farms.

The potential for improving the per hectare productivity is great, provided that all aspects of the intensive technology are approached in a rational and professional manner. Unfortunately, at many farms steps were taken to simplify the technology or to modify it. As a result, in every rayon there are farms at which the harvests differ by ten quintals or more. Such a state of affairs is a reflection of errors and shortcomings on the part of the agronomical services.

On the whole, the oblast met the requirements for grain production anticipated in the Five Year Plan. Actual grain production reached 113% of the quota, and sales to the state reached 143% of the anticipated figure. For the first time

Volyn produced wheat with more than 23% gluten. Sales to state amounted to 2.3 thousand tons, for which the farms received a 30% bonus over the selling price. The oblast met its quota for selling brewing and conventional barley and wheat, and exceeded two-fold the requirements for rye delivery. These facts indicated that the farmers had not only mastered the new technology, but also selected high-quality seeds for breeding. In the final analysis they gained more than six million rubles in bonuses.

However, as noted at the December 1986 UkrCP Plenum, much remains to be done to to further increase the grain harvests. Individual managers and specialists at RAPO and at state and collective farms have not made the effort to bring grain production to its peak, and are slow in implementing the new technology in seed and land management, as well as in learning from the experience of the more successful farms. Failure to follow the agrotechnical recommendations at the farms of the Starovyzhovskiy and Kovel Rayons led to crop failures in that area. Productivity was less than 25 quintals. Other farms using the new technology failed to practice efficient harvesting and secured less than 30 quintals of wheat per hectare. Some of the major causes of these failures were due to a lack of collective responsibility, inadequate pay for machine operators, and low levels of fertilization.

In the last Five Year Plan every hectare used for a grain crop was allocated 174 kg of fertilizers. Actually, only 148 kg were applied. The oblast was criticized for this at the CC Plenum of the UkrCP. Contrary to recommendations, the widest use of mineral fertilizers was made at the farms of the Turiy, Starovyzhovskiy, and Kovel rayons, which resulted in the lowest reported grain harvests. Everything will be done to avoid a repetition of this disaster in the future.

The farmers are aware that a stable grain harvest is a mark of success. For that reason intensive grain technology has been employed in 1987 on 103.6 thousand hectares. Land managements was improved and the winter crops were sown after a superior preceding crop. In addition, 7.6 thousand hectares were limed and 10.5 thousand hectares were treated with organic fertilizers. In the fall every hectare was treated with 20 kg of active nitrogen, 76 kg of phosphorus, and 120 kg of potassium.

Additionally, fungicides and insecticides were employed in the fall on 63 thousand hectares. The sown crops were well prepared for winter, with a plant density of 400-500 or better plants per square meter.

Steps were also taken to improve the corn seed reserves by increasing the corn fields. Experience at the leading farms demonstrated that the use of early-maturing Soviet and foreign corn hybrids, in combination with the new technology, may assure high crop yields. This years the corn harvest was 69 quintals on 932 hectares in the Lutsk Rayon, and 52 quintals in 1782 hectares in the Gorokhiv Rayon. In view of this, plans have been made to sow corn on eight thousand hectares next year. Furthermore, intensive technology shall be employed in the case of legumes, oats and buckwheat for the duration of the Five Year Plan.

Beginning with the present year, scientific agricultural practices shall be employed on a geographical basis in the production of grain, relying also on the experience of the most successful farms. Special emphasis shall be accorded to

the control of water corrosion. The experience gained in the Kiev Oblast on contour methods for preventing this type of soil loss due to precipitation shall heavily relied on. By the end of the present Five Year Plan such measures shall have been implemented at some 20 thousand hectares.

In addition, it has become clear that much grain is lost during harvesting and processing. Steps taken to prevent such losses include the use of better machines, improved storage facilities, drying facilities, and other measures.

However, some problems have remained unresolved. There are not enough machines for the application of fertilizers and pesticides on the grain fields. In addition, the machinery that is available requires considerable upgrading. Another factor is the lack of presowing seed-treatment machinery, a prerequisite for successful application of the new technology.

The workers of the agroindustrial complex of Volyn Oblast shall do everything in their power to make the agricultural program a success in the coming years of the present Five Year Plan, in accordance with the resolutions of the CC CPSU and the Council of Ministers of the USSR entitled "Means for Assuring Stable Grain Crops and Improvements in Grain Forage Resources in the 12th Five Year Plan."

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### GRAIN HARVESTS IN IVANO-FRANKOVSK OBLAST

Kiev SILSKI VISTI in Ukrainian 11 Nov 86, p 2

[Article by O. Solyanyk, candidate of agricultural sciences, head, agroindustrial committee, Ivano-Frankovsk Oblast]

[Text] Various agricultural techniques have been employed in the Ivano-Frankovsk Oblast to raise grain production, with some degree of success. However, there have been no major breakthroughs. The lack of resounding success has been attributed to local conditions. Most of the soil in the region is acidic, poor in nutrients and mechanical characteristics, and subject to erosion.

Not much can be accomplished with conventional agricultural technology on such lands. Consequently, efforts have to be made to seek novel approaches to grain production. These considerations led to the employment of intensive agrotechnology, which was initiated by I.I. Skyba, then the first secretary of the Ivano-Frankovsk Obkom, and presently an important member of the CC CPSU apparatus.

At that time the USSR Minister of Agriculture designated the Ivano-Frankovsk Oblast for experimental studies intended to evaluate the productive capabilities of intensive agrotechnology. In 1984 such studies covered some five thousand hectares with different soil and climatic conditions in the oblast, and yielded 53.3 quintals of grain per hectare which was 20.7 quintals better than the harvests obtained with conventional practices. Five farms in the Horodenkiv Rayon harvested an average of 59.3 quintals on 1.8 thousand hectares.

The farmers in the oblast had first hand experience with what can be accomplished with new technology. The results of the experimental farms were analyzed and approved by the UkrCP Obkom and the Oblast Executive Committee, and recommended for implementation at all farms in the oblast. By 1985 50% of the winter grain was cultivated by the new methods. Such fields yielded an average of 39.2 quintals of grain per hectare, or 17.6 quintals more than obtained by conventional methods. In 1986 the number of fields turned over to the new technology for winter grain production exceeded 60%.

This year every fifth farm in the oblast produced more than 40 quintals of grain per hectare. Even in those areas of the oblast with acidic, podzolic, nutrient-poor soils the average grain production is 50-55 quintals.

Today, intensive technology accounts for 60% of the oblast's grain production, although it is practiced on only 39% of the grain fields.

These developments are encouraging. But the results would be even more favorable if a number of related problems could be solved. One of these is technology. The available machinery does not measure up to the new technological requirements, beginning with the harrows, fertilizer applicators, seed drills, sprayers and combines. There is also a shortage of fertilizers, particularly phosphates. The production of growth regulators, effective pesticides and of liming agents also lags behind the demand.

Presently, extensive organizational restructuring and training is being conducted among the workers' collectives to insure that the contribution of the oblast to the success of the resolutions of the 27th Party Congress and of the Food Program continues to increase.

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### CROPS IN NOVO-AZOVSKIY RAYON IN UKRAINE

Kiev SILSKI VISTI in Ukrainian 17 Dec 86 p 1

[Article by M. Nechyporenko, correspondent, Donetsk Oblast]

[Text] Intensive agrotechnology has acquired extensive recognition in the production of winter at many farms in the rayon. This year the farmers harvested the highest yield of early grain crops in the oblast, with an average of 34.2 quintals. The average for winter wheat was 38.5 quintals, and for barley 31.7 quintals.

Intensively cultivated fields yielded the best harvests. From each of the 9000 hectares 42 quintals of high-quality grain were milled. The sale of bread to the state was completed successfully. The projected figure of 39.4 thousand tons was exceeded, with 44 thousand tons delivered to the elevators. Furthermore, strong wheat varieties exceeded projected figures ten-fold, and valuable varieties were exceeded three-fold.

In expanding the implementation of intensive agriculture special emphasis must be placed on adherence to all the technical specifications, states H.P. Pavlytskiy, head of RAPO. Only the highest level of productive discipline can assure projected harvest yields, he continues to say.

Immediately after harvesting the managers and specialists at RAPO analyzed the reasons for inadequate harvests at fields designated for intensive cultivation. The projected harvests were on the order of 45 quintals of grain, but the actual yield was three quintals short. Why? It seems that at some farms the agrotechnical recommendations were not followed; the sequence of events that was to be maintained on the fields was not followed. The plants weren't 'fed' when needed, and in some cases pest and weed control was neglected.

Thanks to the initiative shown by the specialists at some farms the mechanics were successful in introducing progressive technology. In the face of persistent drought methods were devised to retain as much soil moisture as possible. Clean fallow was treated with cultivators using extended wires, resulting in maximum weed destruction and retention of moisture.

On fields used for perennial grasses, peas or corn only non-upturning equipment was used. This was also a factor favoring moisture retention. At fields used for winter crops only disk-type ground-breaking machinery was employed, with the disks set at the lowest angle. This was followed by a harrow and a roller. This pretreatment resulted in optimal sowing conditions

with the seeds deposited at the proper depth leading to optimum sprouting. This is especially important with Donetsk-5 and Odessa-51 wheat seeds which were used on the intensive fields.

Having familiarized themselves with the resolutions of the December 1986 Plenum of the CC UkrCP, the farmers of the Novo-Azovskiy Rayon have developed a resolute program for grain production. They have decided to exploit to the fullest the advances of science and previous experience in their work. This involves taking all necessary measures to preserve soil moisture, efficient employment of farm machinery, introducing greater efficiency in the use of mineral fertilizers, in crop protection and in the use of chemical nutrients.

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## MAJOR CROP PROGRESS, WEATHER REPORTS

### CROPS IN KILIYSKIY RAYON IN UKRAINE

Kiev SIIJSKI VISTI in Ukrainian 31 Dec 86 p 1

[Article by S. Baron, council head, Kiliyskiy Rayon RAPO, Odessa Oblast]

[Text] Harvest data on irrigated fields in the maritime areas were the latest to be reported, since rice was still being harvested in the middle of October. Although the projected rice harvest was 46 quintals, the actual figures came in at over 50 quintals at each of the 5100 hectares. Previous to that the corn farmers that they obtained almost 70 quintals of grain on the 4500 hectares, which was 14 quintals higher than the projected yields.

In analyzing the results for the irrigated fields it is obvious it is obvious that farmers can control the harvests. The results will be even better if, with the assistance of the UkrSSR GOSGROPROM, some problems are addressed that the farmers themselves cannot solve. For irrigations canals usually have to be dug with T-130 type of caterpillar tractors. However, such equipment is available to the farms only once every four or five years. In addition, there is a shortage of excavators for clearing the canals.

Concern has been expressed at the fact that the Ukrainian Water Ministry continued to rely on open canals for irrigation in its reconstruction of old irrigation systems, and continues to use the relatively inefficient DDA-100M rain water distributor. Such an attitude is not in line with intensification of agriculture. By eliminating such shortcomings a new era could dawn in the rayon in the production of grain and other crops.

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## LIVESTOCK AND FEED PROCUREMENT

### LIVESTOCK PRODUCTION-PROCUREMENT RELATIONS EXAMINED

Moscow ZAKUPKI SELSKOKHOZYAYSTVENNYKH PRODUKTOV in Russian No 1, Jan 87 pp 2-7

[Report on managerial meeting: "Direct Relations: Experience and Problems"]

[Text] The further development of the integration of agricultural production and the processing industry is one of the main tasks of rayon agro-industrial associations. Direct relations of farms with enterprises for the processing of agricultural products, their direct acceptance at production places, and delivery by transport facilities of procurement organizations serve this purpose.

The Administration for Improvement in the Economic Mechanism and Price Formation of the USSR Gosagroprom and the pavilion "Economics and Organization of the Agro-Industrial Complex" at the Exhibition of USSR National Economic Achievements held a meeting of managers and specialists of gosagroproms of Union and autonomous republics, oblast (kray) agro-industrial committees in charge of problems concerning the production and procurement of livestock products, rayon agro-industrial associations, and meat and dairy industry enterprises, associates at scientific institutions, and workers at interested USSR ministries and departments.

The report by A. Zavgorodnyy, chief of the Administration for Improvement in the Economic Mechanism and Price Formation of the USSR Gosagroprom, noted that the measures necessary for a transition to advanced procurement forms were being implemented in the country. In 1985 a total of 36 percent of the livestock and poultry procurement volume in the public sector and 33 percent of the milk procurement volume were accepted directly at production places and delivered by transport facilities of procurement organizations.

The advanced form of livestock product procurement has become especially widespread in the Lithuanian SSR, where more than 70 percent of the livestock and poultry procurement volume is accepted directly on kolkhozes and sovkhoses and delivered by transport facilities of procurement organizations. Direct relations are being actively introduced in the Belorussian SSR, Belgorod Oblast, Stavropol Kray, Ternopol and Ivano-Frankovsk oblasts, and in a number of other republics and oblasts.

Despite the obvious advantages of the advanced procurement method a number of Union and autonomous republics, oblasts, and krais do not pay proper attention to its introduction. For example, in 1985 the proportion of the direct acceptance of livestock and poultry at their breeding places made up only 6 percent in the Estonian SSR and the Tajik SSR and of milk, 5 percent in the Turkmen SSR; 15 and 20 percent, in Uzbek and Azerbaijan Union republics respectively.

What is the reason for such a phenomenon? Accounting operations between processing organizations and farms in connection with the meat yield after slaughtering is a deterrent to the introduction of the advanced livestock procurement method. In fact, procurement organizations are not responsible for weight losses in animals' en route and during the period when they are kept too long on preslaughter areas. As scientific research and practice confirm, they are quite significant. According to the data of the Belorussian Scientific Research Institute of Experimental Veterinary Medicine imeni N. S. Vyshelskiy, the killing-out-percentage of hogs processed without being kept too long on a preslaughter area reached 63.3 percent, but after they were kept for 24 hours, only 57.6 percent. When young bulls were kept for 48 hours, their killing-out-percentage was lowered by almost 4 percent. Since processing enterprises are not responsible for the meat yield, cases of violation of livestock processing technology are frequent and, in particular, large above-standard tears offs of fat during hog skinning occur.

The weak material and technical base of both procurement organizations, that is, the shortage of production capacities and means of transport, and of farms, that is, the lack of specialized transfer and acceptance centers with hard-surface spur roads, is another important deterrent to the introduction of the advanced livestock procurement form. The same thing exists in the dairy sector.

More than 10 specialists took part in the discussion of this major problem. The account by P. Pashkauskas, director of the Panevezhis Meat Combine in the Lithuanian SSR, evoked special interest. At present the enterprise accepts cattle and hogs on 97 out of the 107 farms in the serviced zone. The average distance to transfer and acceptance centers of kolkhozes and sovkhoses is about 60 km. For livestock delivery the meat combine has received 35 specialized motor vehicles from agricultural stocks. Each motor vehicle is used highly efficiently. One livestock van transports up to 1,700 tons of animals. This is severalfold more than when transport facilities belonged to kolkhozes and sovkhoses.

As the practice of the Panevezhis Meat Combine confirms, the transition to accepting livestock at its breeding places and its delivery for processing by specialized transport facilities is mutually profitable. Previously, the reimbursement of transport costs for livestock delivery for kolkhozes and sovkhoses did not exceed 65 percent of the actual expenditures. Moreover, a specialist accompanied every livestock batch to the meat combine, that is, in practice, every motor vehicle. Transport facilities were not utilized for more than one run per day. All this lack of coordination has now been eliminated.

Direct relations have another advantage: When animals are accepted directly on farms, the sale of substandard livestock is prevented. Young cattle not corresponding to the highest degree of fatness and young hogs of first and second categories are left on farms for further fattening. Owing to this, the average weight of cattle bought by the combine on the zone's kolkhozes and sovkhoses exceeds 440 kg. At the same time, almost all animals are included in the category of the highest degree of fatness.

When the material and technical base in the rayon was being prepared for the transition to the advanced procurement form, difficulties arose with outfitting transfer and acceptance centers of kolkhozes and sovkhoses with weighing facilities. Orders of deliverers of products for the purchase of scales were met 25 to 30 percent. Furthermore, the industry manufactures low-quality scales, which often break down and require considerable repairs.

Nor do presently produced specialized motor transport facilities meet modern requirements. First, their load capacity is small. Second, low-quality motor vehicles are produced. They often break down and require above-standard repairs. This results in unforeseen downtime, in additional expenditures on maintenance, and in an acute shortage of livestock vans.

Such a lack of coordination also exists in the procurement practice. The USSR Central Statistical Administration in its letter dated 23 January 1985 No 5/24 prohibited the inclusion of products delivered by leased transport facilities of farms in the report on the fulfillment of centralized delivery assignments.

"In our opinion," P. Pashkauskas said, "this is inadmissible. Why should obstacles in leasing transport facilities be placed before procurement organizations if such a possibility exists? When transport facilities are unoccupied on kolkhozes and sovkhoses, why should they not be used in their interest? Especially as the instruction No 9-3-79 "On the Procedure of Acceptance of Agricultural Products From Interfarm Enterprises (Organizations) on the Basis of Direct Relations and Directly at Production Places" approved by the USSR Ministry of Agriculture and the USSR Ministry of Procurement on 22 May 1979 envisages such a centralized delivery method.

N. Ushakov, general director of the Belgorod Association of the Dairy Industry, shared his experience in the introduction of direct relations in milk procurement in Belgorod Oblast. The oblast's procurement organizations actively embarked on the organization of milk acceptance at production places in 1983. During that time the material base of initial milk processing was strengthened considerably. One-hundred heavy-freight and specialized motor vehicles for milk transport were allocated from agricultural stocks to dairy industry enterprises. Hard-surface spur roads to every transfer and acceptance center were built.

Before the introduction of direct relations the oblast's kolkhozes and sovkhoses utilized no less than 800 motor vehicles and tractors, several thousand milk cans, equipment for washing and steaming them, and in connection with this additional service personnel. This was not always done at a high sanitary level, as a result of which there were frequent cases of deterioration in the quality of milk and sometimes even its spoilage.



Direct relations of milk plants with kolkhozes and sovkhoses changed the situation in milk procurement fundamentally. Transport costs were reduced sharply--to more than one-half. Above all, the introduction of this procurement form had a positive effect on the quality of output and increase in the sector's efficiency. Total expenditures on the development of the material and technical base for its introduction at livestock sections amounted to 14.6 million rubles. In 3 and 1/2 years farms received more than 60 million rubles of additional payments for a high quality of milk.

Although in the oblast a great deal has been done for the introduction of direct relations with livestock sections, some unsolved problems hinder further progress. Thus, the number of mechanisms at livestock sections of kolkhozes and sovkhoses and at dairy plants has increased significantly, but the need for spare parts for them has also risen. However, there is a shortage of them. The problem of manufacturing package equipment for summer camps is not being solved.

The low-efficiency utilization of means of transport was one of the significant reasons deterring the transition to the acceptance of livestock products at their production places in Belorussia until recently. G. Timokhin, deputy chief of the Belmyasomoltrans Transport Administration of the Belorussian SSR Gosagroprom, discussed their centralization and the experience in this direction at the meeting. Twenty specialized cost accounting enterprises with 74 affiliates located in rayons have now been established in the republic. Modern garages with shops for current repairs have been built for an efficient utilization of means of transport. The management structure has also been developed.

The utilization of specialized transport facilities in strict correspondence with the orders of procurement organizations is profitable both for kolkhozes and sovkhoses, on the one hand, and for processing industry enterprises, on the other. The economic efficiency of their use in the centralized delivery of livestock products was 28.4 million rubles during the 10th Five-Year Plan and 30.6 million rubles during the 11th Five-Year Plan. Kolkhozes and sovkhoses are now engaged in what they are called upon to do--in the production, not sale, of milk. Furthermore, during the 11th Five-Year Plan the sale of first-grade milk to the state on the republic's farms, when its acceptance on the spot and delivery by specialized transport facilities were introduced, increased by 30 percent. Kolkhozes and sovkhoses additionally received about 50 million rubles for improving the quality of output.

The use of specialized transport facilities in milk delivery is particularly efficient in Grodno Oblast. Before the introduction of centralized delivery in Slonimskiy Rayon 42 milk vans of kolkhozes and sovkhoses transported 20,000 to 21,000 tons of milk. Transport costs per ton of milk amounted to almost 7 rubles. A total of 29 milk vans are now engaged in the delivery of output, but they transport 75,000 tons of milk and more. Transport costs per ton have been lowered to almost one-third.

In the Belorussian SSR at present the material and technical base is being strengthened for the further increase in the volumes of transport of livestock

products by the method of direct relations. Livestock is now being transported in a centralized manner from 94 percent of the kolkhozes and sovkhoses and milk, from 52 percent. Heavy-freight specialized transport facilities are used most efficiently when centralized delivery is introduced simultaneously in a group of farms located next to each other.

As experience has shown, centralization of specialized facilities for the transport of livestock products is profitable economically. However, even here there are unsolved problems, which do not make it possible to utilize means of transport more efficiently. The industry is now manufacturing low-power truck tractors. It would be advisable to organize the output of general-purpose truck tractors with a set of semitrailers for the delivery of livestock, milk, and other goods. Specialists have calculated that their manufacture will make it possible to reduce the means of transport in the republic by more than 500 units and 600 drivers and repair workers. At the same time, the transport volume will increase by 20 to 25 percent.

Recently, the collective and brigade contract has been widely introduced in the republic's organizations transporting livestock products under conditions of direct relations. This contributes to a more efficient utilization of transport facilities. Thus, in the motor depot No 21 in Mogilev the brigade of livestock van drivers (brigade leader A. Ivanov), improving work methods, has shortened the downtime of motor vehicles during loading and unloading by 13 percent. Output in livestock vans has increased to almost 16 percent.

P. Volchuk, chairman of the Lanovetskiy Rayon Agro-Industrial Association of Ternopol Oblast, discussed RAPO work on transferring kolkhozes and sovkhoses to direct relations with processing enterprises. Lanovetskiy Rayon is considered one of the trailblazers of this endeavor not only in the Ternopol area, but also in the Ukraine. Many difficulties en route to the goal have been overcome. They include the construction on farms of transfer and acceptance centers with the necessary equipment and hard-surface spur roads, the establishment of specialized transport enterprises, and the solution of problems concerning the very organization of transfer and acceptance. Now all these difficulties are over. The new procurement technology has become firmly established in the rayon. The introduction of centralized milk delivery has made it possible to release on the rayon's farms 18 motor vehicles and the same number of drivers and dispatchers with an annual wage fund of 76,000 rubles. Farm expenditures not reimbursed by procurement organizations for milk transport have been reduced by 45,000 rubles. Sizable additional sums now enter the tills of kolkhozes and sovkhoses for an increase in the grade and cooling of milk. All this has made it possible to raise the profitability of the dairy sector.

R. Bayazitov, chairman of the Tuymazinskiy RAPO in the Bashkir ASSR, reported on the high efficiency of direct relations of kolkhozes and sovkhoses with processing enterprises. Before the transfer to this procurement form the rayon's livestock breeders sold up to 30 percent of first-grade milk to the state, but now they sell 90 percent and more.

As of 1979--the beginning of the introduction of direct relations--for an improvement in the quality of milk, on the average, farms have been

additionally paid 400,000 rubles annually and for its cooling, 260,000 rubles. Furthermore, 150,000 rubles, which previously were not reimbursed by procurement organizations for milk delivery, annually remain in the tills of kolkhozes and sovkhoses. The efficiency of utilization of milk vans has almost tripled, reaching 2,000 tons.

The introduction of the advanced form of livestock product procurement is a profitable endeavor. This is now an axiom. Apparently, however, suppliers are not interested in its extensive introduction on farms. As before, they do not fulfill the orders for deliveries of refrigerators and other equipment necessary for outfitting transfer and acceptance centers.

In Tuymazinskiy Rayon about three-fourths of the refrigerators have been used for 10 years and longer. Of course, during such a long operation they often break down, but there is nothing to replace them with. Owing to this, the growth of the sale of first-grade milk to the state has slowed down.

N. Osiyan, chairman of the Dvurechenskiy RAPO in Kharkov Oblast, Yu. Aleshin, director of the Georgiyev Meat Combine at Stavropol Kray, V. Fedorov, chairman of the Shemonaikhinskiy RAPO in East Kazakhstan Oblast, A. Mysheleva, sector head at the Belorussian Scientific Research Institute of Economics and Organization of Agriculture, and others shared their experience in introducing direct relations of kolkhozes and sovkhoses with procurement organizations.

At the meeting a great deal was said about problems deterring the further development of direct relations of kolkhozes and sovkhoses with procurement organizations. As before, there is a big deficiency in the provision of transfer and acceptance centers of farms with the necessary equipment--refrigerators and weighing facilities--and of processing enterprises with specialized transport facilities. Problems concerning the organization of centralized technical servicing of equipment and mechanisms at transfer and acceptance centers of kolkhozes and sovkhoses are not solved properly. Specialized means for the transport of both livestock and milk need to be improved and, especially, their load capacity needs to be increased.

Many specialized motor transport enterprises of procurement organizations are not provided with repair materials satisfactorily. A number of instructions and other standard documents regulating the relations of kolkhozes and sovkhoses with procurement organizations during the implementation of direct relations need changes.

Participants in the meeting were unanimous in one thing: An extensive popularization of advanced experience and elimination of shortcomings will make it possible to more successfully introduce direct relations of kolkhozes and sovkhoses with processing enterprises, which will positively affect the realization of the USSR Food Program.

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## FORESTRY, TIMBER

### BRIEFS

FOR A CLEANER LAKE LADOGA--The lake cellulose plant, which has been a serious ecological threat to Lake Ladoga, is reshaping production. Industrial flow coming from the enterprise has damaged the reservoir and has had a deleterious effect on the environment. Instead of cellulose, the "Giprodev" Institute is working out a low-waste technology for the output of peeled veneer, plywood, chipboard, the manufacture of various rigging, and non-standard equipment for factories and combines of the "Sevzapmebel" [Northwest Furniture] association. [I. Selivanov] [Text] [Moscow SELSKAYA ZHIZN in Russian 7 Apr 87 p 4]

CSO 1824/228

## POLICY, ORGANIZATION

### ANTICIPATED SUCCESS FOR MOSCOW'S FIRST COOPERATIVE CAFE

Moscow LITERATURNAYA GAZETA in Russian 14 Jan 87 p 10

[Article by Aleksey Varlamov: "You Will Not Be Filled Up by the Report: Moscow's First Cooperative Cafe"]

[Text] There are many dining establishments, but nowhere to eat: there are queues. By half-past twelve you can no longer enter just any door, particularly in winter, when you have to turn over your overcoat at the cloakroom. The people move with exasperating slowness. If you can just get through to the table with the trays, there the "distribution" is very near! The smell of food is in the air, and the people standing in line turn their gaze away from the fortunate ones sitting at tables, guzzling their food, swallow their saliva and get gastritis....

Public catering workers know better than anyone that the dining establishments long ago became a place where the customers often not only have a hard time getting breakfast, dinner and supper, but also where quarrels easily flare up with those who serve them. The service is poor: it is a rare dish that is prepared tastily, the portions are small, the forks, plates and trays are wet, there are not even wet knives, there are paper napkins on the tables--it is a problem....

As far back as the end of last year, the Public Catering Administration of the USSR Ministry of Trade happily revealed its exemplary position on organizing a public catering cooperative in state trade. In the last few days of 1986, the Main Administration of Public Catering of the Moscow gorispolkom revealed, no less happily, the fourth variant of this plan. They were glad that the fourth variant too had not yet been approved and one more possibility had appeared to introduce changes in it. Only the first Moscow cooperative workers, A.A. Fedorov (a recent restaurant manager), V.N. Generalov (graduate of an economic VUZ, until recently a deputy director) and Yu. N. Tushev (he worked first as a waiter, and next, as head of a snack bar) did not doubt in the least that permission to open their cafe would come through any day, because the repair of the first floor of the cafe should be completed in the early days of January, and the repair of the basement, where the "Russkiy Traktir" [Russian Tavern] will open--by April. After this, the former home of the Trubetsky princes at 36 Kropotkin Street will be opened up in depth and in breadth. They will enclose the courtyard, which the cooperative workers have already named the

"Moskovskiy Dvorik" [Moscow Courtyard], and in which they would like to place summer houses and tables under an awning.... Plans, plans, plans! At the end of the year they seemed all the more real, as the idea of creating public catering cooperatives was ardently supported by the most varied municipal organizations, who saw in "private" cafes their type of medicine to cure gastritis.

Viktor Ivanovich Rodichev, chief of the Main Administration for Public Catering of the Mosgorispolkom, called his future competitors not private business owners, but "initiators of new forms of serving customers." The high quality of preparing the dishes and the respectful attitude toward people--here are two signs of a new enterprise.

Municipal organizations helped the first cooperative workers not only with the repair of the old private residence (30,000 rubles were spent on this), but also acquired 25,000 rubles worth of first-class equipment for it--a Finnish Yuno stove, compact but capacious Rozenlev refrigerators, and a Gedeerovskiy belt (a kitchen unit that performs 16 operations: chopping vegetables, cutting meat, etc.). A buffet counter was purchased--just as beautiful as in foreign films. Only, in the movies we see it completely covered with liquor bottles and do not suspect that installed in the counter are devices to prepare sandwiches instantly, that eggs can be boiled and soup cooked there, eggs can be fried very quickly, etc. The cafe will have two ultra-high frequency ovens, where microwaves convert any raw material into a finished dish in a matter of seconds. Even the ordinary stove which once warmed the members of the Trubetskoy family was put to suitable use: on the dining room side it will be a fireplace, where everyone can throw on a log, and on the kitchen side, over a brisk fire, they will prepare shashlik, roast poultry and smoke meat and fish--in a word, fill the guests' orders. The Main Administration of Public Catering sold the cooperative workers 10,000 rubles worth of tableware, forks, dishes, tablecloths, pots....

The cafe will subsist on self-maintenance. The cooperative will conclude agreements with Moscow area kolkhozes and sovkhoses and will establish close connections with kolkhoz workers who come to Moscow to the market. Food brought straight from the market and prepared right here, behind the wall, in the kitchen, will be served to the table. The cooperative workers strictly guarantee its freshness. The Main Administration of Public Catering will therefore also stand up for the creation of cooperative cafes, where the sale of stale food will become impossible, in the same way that it is possible now.

Work which in a "normal" cafe is now being done by 25 persons will be performed by 5 persons. No one will have clear-cut duties. The two-story cafe is calculated for seating 70 people, plus 5 places at the buffet counter. In order for the guests to spend not over 15 minutes for breakfast and not over 40 for dinner (even though most of the dishes are prepared, not ahead of time, but only after the order has been taken), the 5 attendants must get a move on and not yawn, covering their mouths with their hands, "at their work place." The cook will go into the dining room and take the order. A girl-student will work as a waitress, and her duties will also include cleaning the vegetables and drying dishes. The doorkeeper will also wash the floors, sweep the sidewalk

at the entrance to the cafe and brush the street dirt from the window panes. So far, one cooperative worker stands behind the buffet counter and the other makes the trip to the market for pot cheese and green vegetables, and when he comes back, replaces his comrade, who will take a swing at the firewood.... By six a.m. the cooperative workers are getting ready to go to their cafe, in order to open and serve hot food at seven. They leave for their homes at midnight. An 18-hour work day should be paid accordingly. The cooperative workers assume that they will receive 300-400 rubles a month each. They would like to bring the pay up to 500. The state does not refuse the issuing of a monetary subsidy to the cooperative workers, if they should fall on bad times, but the enthusiasts so far have no intention of appealing for assistance and calculate that the first-class service will attract enough guests to them. On the other hand, they fear most of all that the queues that have already been the undoing of more than one good cause will spring up.

This is not an unfounded danger. Guests should be attracted to the new cafe not only by the speed of the service, the freshness of the products and the full plates of food (they reject the established "norms of outlay for the basic dish and garnishes"), but also mainly by the low prices. One can breakfast to one's fill for one to one-and-a-half rubles and dine to one's fill for one-and-a-half to two. It may be objected that right now, they say, one can breakfast and dine more cheaply. But scarcely anyone will deny that you can hardly "survive" until dinner on a breakfast costing 50-70 kopecks--that is the fault of the stingy "dish distribution norms" and the low calorie value of the food.

At the cafe at 36 Kropotkin, there will be neither miscalculation nor short weight for the customers. Morning, noon and evening, the cooperative workers will write the day's menu in each room, with chalk in large letters on a screen fastened to the wall for all to see, and opposite each dish--the firm price. There is another essential detail: the menu will consist not of 20-30-40-50-100 named items. The kitchen will prepare one or two of the first dishes, three or four of the second and as many cold dishes. It goes without saying, the menu will be different every day. The cooperative workers do not want to entice the consumer with the variety of items, but with the excellent quality of the food prepared. As they explain, many state public catering enterprises prepare everything in an unpalatable fashion only because they are imposed with the duty of having a large list of dishes and the cook has only one pair of hands, which cannot reach every casserole.

In general, all public catering workers think that any cafe should have its own personality. The cooperative workers represent a new form of enterprise, where one can actually show how good the cafe is and where they specialize in something that is their own. Fedorov, Generalov and Tushev promise always to have dishes of Russian cuisine: pelmeni, made with their own hands, pirogi with various fillings (two grannies who live next door and who suffer from insomnia have willingly promised to bake them), baked milk, cabbage, kasha, etc. In many ways, probably, the nature of the service is pleasing: at the "Russkiy Traktir" the pots will be taken from a real Russian stove with tongs and immediately placed on the table....

Someday this will happen! So far the plan for the model statute of the cooperative for organizing public catering lies on the desks at the municipal public catering management. Next to it is the plan of a resolution on organizing public catering enterprises on a cooperative basis. Vera Sergeyevna Orlovskaya, chief of the division of finances of the financial planning administration of the Main Administration of Public Catering of the Moscow gorispolkom, writes passionate rejections. They deal mainly with the financial aspect of the business.

The Ministry of Finances obviously fails to understand something! Time and again it introduces into the plan points with which practical public catering workers can in no way agree. For example, it was written in the plan of the resolution that wage-rates, that is, fixed salaries, should be affirmed in the cooperative. After all, though, a wage-rate strictly determines the range of duties.... In a cooperative, however, everyone is intended to perform any job, whatever becomes necessary. A wage-rate makes a person say: "This is not my job, they do not pay me for it, leave me alone!"....

It is written in the plan for the model statute that a cooperative should have an "independent balance," should "keep books and statistical accounts and, under the established procedure, compile and present to the appropriate organs an accounting report for all types of production-economic activity...in accordance with approved forms and within the established deadlines, and bear the responsibility for its authenticity." If it has already been decided that the cooperative workers buy products at the market, then from where can they get documents to compare the balance and the multi-faceted accounting report? The Ministry of Finance, they say here, clearly fails to understand something! But then, it is not the first time....

Twenty years ago, the term, "accounting report" [otchet] burst into practical usage. It imperceptibly replaced "accounting" [uchet], without which socialism is unthinkable. There is the same difference between "accounting report" and "accounting" as, let us say, between "honor" [pochet] and "deficit" [nachet]. In actuality, when accounting is carried out in the country, that means that plants, factories, institutions, stores and schools--in a word, the country--works from morning to night, and a severe financial inspector makes a call from time to time, sits down quietly somewhere in a corner and takes account of: how much material of such-and-such a quantity was obtained, how many finished products made from it were turned out to such-and-such a number, how much money was received, how much was spent, during what period.... But an accounting report is when plants, factories, institutions, stores and schools--in a word, the country--from morning to night write accounting reports and, in the time free from writing, do a little work. With stacks of papers written "in accordance with the approved forms," millions of people, "in the specified periods," walk, rush and drive to their severe financial inspector, who has set up hours for receiving the population, so that they can "submit...an accounting report for all types of production and economic activity."

Bookkeeping and economic-planning divisions have swollen unbelievably everywhere--there they are writing reports on the accounting reports written by the ones who are working. The central and local press has been criticizing the



financial institutions for similar dependence, and nevertheless, any director, even a rank-and-file engineer, confirms that every year the diversity of the "established forms of reporting" only increases.

The country is now at last making an attempt to reorganize the operation of public catering--an important sector of the service sphere! Those who promise to feed us "appetizing and wholesome food" are granted the right to procure products at the market, independently, and not to depend on the tight-fisted workers at the trade bases. Everyone understands this--except the Ministry of Finance. Perhaps this is called "nonprogressive thinking" and "the inability to reorganize on time"? Rather, there is a different phenomenon here: financiers have succeeded in raising a whole generation of people accustomed to considering their work place to be a chair in an office. They can in no way grasp the fact that people should not go, carrying reports, to them to be received, but that they themselves should, from morning on, spread around the enterprises, plants, factories and institutes and take account of the work done there. The arrival of a financial inspector has always, in all countries, been regarded as a most everyday matter!

The Main Administration of Public Catering of the Mosgorispolkom is perplexed: why, at the Ministry of Finance, do enterprises of the new type strive to do things according to the model of present-day activities? The first three Moscow cooperative workers are perplexed: why, at the Ministry of Finance, do they ask them first of all: "How much will you earn?"--as if there were no wealthy people in our country who do not earn the money that is offered to them for work. Is it really fair to count what the cooperative workers will earn as unearned income?

The Main Administration of Public Catering considers it perfectly reasonable to entrust any accounting report (up to the arrival of the financial inspector) to the cooperative workers themselves. They will not stop deceiving themselves. The financial inspectors should be a bit more resourceful and think out their own methods of checking incomes, so that other cooperative workers do not succeed in concealing them from the state, which collects tax precisely from income. The higher the cooperative incomes prove to be, the greater the gain the state treasury turns out to have. This is another reason why the Main Administration of Public Catering considers the creation of cooperatives to be a matter of great importance. It is presumed that cafes of the new type will begin to work absolutely honestly, since an unattractive history with the financial inspector can decide the fate of a cooperative.

The national products arriving at the kitchen direct from the field, the farm and the market will be carefully preserved, and not thoughtlessly left to go bad: the well-being of the cooperative workers and members of their families will depend on its quality. Cooperative cafes will begin to operate, not from and until, but when the urban inhabitants need it. "If we can see that the products have not been sold in the daytime," said A.A. Fedorov, it goes without saying, "then we will work at night, too." How simple! Right now, every evening cheerful people in once-white smocks mischievously fill garbage cans to the brim with unsold (put more honestly--gone-bad) products. Here too, it

is so simple: in order to sell off the products, before they have lost their "first freshness," we will sell them at night too! You do not hear of such a thing even in the Public Catering Administration of the USSR Ministry of Trade! They are already doing everything possible there so that the figures for the planned waste products are not in whole numbers, but in hundredths of numbers--any figure in an account looks much more convincing if it has hundredths....

And so, the first cooperative cafe in Moscow is getting ready to open wide its doors for every passer-by. The professionals who want to see what will happen in the end, and the public who simply want to enter these doors, are awaiting this day with interest.

12151

CSO: 1827/43

## FOOD PROCESSING, DISTRIBUTION

### DETERIORATION OF BREAD QUALITY DESCRIBED

Moscow IZVESTIYA in Russian 17 Mar 87 p 1

[Letter from column: "Letters From the Past Week," "The Concern of Many: Daily Bread"]

[Text] Last year in both the local and central press there was much material explaining the necessity for raising the prices on certain types of baked goods. The main argument was the fact that bread quality would be considerably improved. Only the fact that it would improve should never have been mentioned. At least in our city the quality of "new" bread has only not improved but rather it's gotten worse. The taste, the baking, and the shape of bread has gotten worse. Believe me, sometimes with a heavy heart, I'm forced to throw out bought bread. It's simply not fit to eat. And what's disappointing is that the city press writes about the poor quality, the fact is known in our city's departments, and yet no measures are being taken.

But recently, VECHERNYY KIEV published responses by managers of the city and republic's baked goods industry, to questions from the city's residents regarding the poor quality of bread. From these responses it appeared that the city's residents had "not gotten used to the new produce." Ofcourse we have been forced to become accustomed to unstylish and badly sewn clothes, to unattractive and badly made shoes, and to poor everyday services. So why shouldn't we become used to poor bread quality. Also, in response to the correspondent's question that perhaps it's possible that bread quality is poor due to the production of new products, but that it will be improved, L.N. Parkhomenko, chief director of the enterprise "Kievhleb", replied: "I cannot give such guarantees."

The need to straighten out the baking of small loaves has been written up often in the press and frequently discussed at various meetings. And what has happened? We've now begun to bake enormous "pancakes" of partially raw, unpalatable, and generally speaking, unattractive looking bread. True, in the city there are a few stores where one can buy bread of sorts, but the entire city cannot drive to these stores and they also cannot supply everyone.

V. Fevrikov

Kiev

CSO: 1827/64

## FOOD PROCESSING, DISTRIBUTION

### DECREE ON IMPROVEMENTS IN KOLKHOZ MARKET ACTIVITY SUMMARIZED

Moscow IZVESTIYA in Russian 2 Apr 87 p 2

[Unattributed report under the rubric "Official Section": "Improving the Work of Kolkhoz Markets"]

[Text] The CPSU Central Committee and USSR Council of Ministers have adopted the decree "Measures for Improving the Work of Kolkhoz Markets." The decree states that the new management conditions in the agroindustrial complex and the expansion of the rights granted to kolkhozes and sovkhoses in selling agricultural produce to organizations in the consumer cooperative system and at kolkhoz markets have created additional opportunities for further increasing the sale of that produce in cities and industrial centers and improving the manner in which the public is supplied with food products. However, the organizing of the work of the kolkhoz markets in cities and industrial centers does not correspond to the present-day requirements. The ispolkoms of the local soviets of people's deputies and the consumer-cooperative organizations have been demonstrating inertia and a lack of time-responsiveness in resolving the questions of increasing the sale of agricultural produce at the markets. Many markets are not well equipped and are not provided with warehouse areas, means of mechanization, transportation, hotels, or public eating enterprises.

The local agencies have been underestimating the role of trade at the kolkhoz markets as an important additional source for improving the way in which the population of the cities and industrial centers are supplied with potatoes, vegetables, fruits, meat, dairy and other products, and have not been showing the proper concern for improving the work of the kolkhoz markets, developing their material-technical base, or reinforcing the market cadres with initiatory, knowledgeable, and politically mature workers.

The councils of ministers of the union and autonomous republics, the ispolkoms of the kray and oblast soviets of people's deputies, Tsentrosoyuz [Central Union of Consumer Societies], USSR Gosagroprom [State Agroindustry], and USSR Ministry of Trade have been given the responsibility of carrying out, in 1987-1990, measures to achieve the fundamental improvement of the work of the kolkhoz markets, having in mind:

-- the considerable increase in the bringing of agricultural produce to them, the improvement in the organization of trade, and the rendering of the necessary assistance to kolkhozes, sovkhoses, and citizens in selling agricultural produce;

-- the guaranteeing of the creation of company stores for the sale of agricultural produce, the development of the material-technical base at the markets, and the equipping of them with modern equipment, stock, and other technical means. Special attention is to be shown to expanding the construction of refrigerator capacities for storing perishable produce, as well as hotels and public eating establishments and enterprises providing personal services to the public, for the purpose of creating the necessary eating and resting conditions for the citizens who are trading at the markets;

-- the organizing of the broad sale at kolkhoz markets of manufactured items that are in mass demand, garden tools, vegetable and melon-crop seeds, fruit and berry seedlings, mineral fertilizers, and other commodities in a broad variety.

It has been deemed desirable to transfer, free of charge, the kolkhoz markets from the jurisdiction of USSR Ministry of Trade and the union republic ministries of housing and municipal management to the jurisdiction of consumer-cooperative organizations. It has been established that the councils of ministers of the union and autonomous republics and the ispolkoms of the local soviets of people's deputies, in addition to the consumer-cooperative organizations, bear the complete responsibility for managing the kolkhoz markets, for guaranteeing the necessary conditions for their operation, and for reinforcing their material-technical base.

The consumer-cooperative organizations must considerably improve the work of purchasing the agricultural produce, and of expanding the services to be rendered to the public and the farms when they are selling that produce that is brought to the markets, and must guarantee the development of the network of procurement-acceptance stations, especially in the remote rayons, and the creation at the kolkhoz markets of cost-accountable enterprises to purchase agricultural produce and to trade in it.

It is recommended that the kolkhozes and sovkhoses render assistance to kolkhoz members, sovkhos members, and other citizens in delivering to the kolkhoz markets the agricultural produce that belongs to them.

The attention of the councils of ministers of the union and autonomous republics, the ispolkoms of the kray and oblast soviets of people's deputies, and Tsentrosoyuz has been directed to the inadmissibility of unjustified limitations on the shipping by citizens outside the confines of the oblast, kray, or republic of the agricultural produce that has been grown by them on their personal plots or that has been received by them as payment in kind for having performed labor.

It has been recommended to the councils of ministers of union republics, USSR Gosagroprom, Tsentrosoyuz, and USSR Ministry of Trade that they guarantee the

regular conducting of agricultural-produce fairs with the participation in them of kolkhozes, sovkhoses, other enterprises in the agroindustrial complex, and enterprises in the state and cooperative trade system, making broad use of the local press, radio, and television in order to inform the public about their preparation, dates and times of operation, location, and the variety of output that people intend to sell.

The decree also stipulates other measures, whose implementation will make it possible to improve the operation of the kolkhoz markets considerably.

5075

CSO: 1827/62

## LABOR

### RECOMMENDED INDIVIDUAL LABOR LAW STATUTES PUBLISHED

Moscow EKONOMICHESKAYA GAZETA in Russian No 16, Apr 87 p 17

[Statutes: "Recommendations on the Application of Certain Statutes of the USSR Law on Individual Labor"; first paragraph is source introduction]

[Text] Readers of this weekly R. Dzhabiyev from Baku, V. Titov from Belgorod, and many others, in their letters and over the telephone, have been asking for information about the practice of applying a particular statute in the Law Governing Individual Labor. At their request we are publishing below the recommendations prepared by USSR Goskomtrud [State Committee for Labor and Social Problems], USSR Ministry of Finance, and USSR Ministry of Justice.

#### Procedure for Issuing Authorizations to Engage in Individual Labor

Citizens who have expressed the desire to engage in individual labor submit a written application to the executive committee of the rayon, city, city rayon, settlement, or village soviet of people's deputies at the place of their permanent residence.

The applications are considered in the procedure established by the executive committees of the rayon, city, and city rayon soviets of people's deputies. When the applications are being considered, the citizens can be asked, if required, to show documents that confirm the information indicated in the application.

The decision of the ispolkom of the soviet of people's deputies concerning the authorization to engage in individual labor is sent to the appropriate financial department (administration) so that the citizens can receive a registration certificate or license.

In the event of moves to another permanent residence, persons who had registration certificates to engage in individual labor receive authorization at the ispolkom of the soviet of people's deputies at the new place of residence.

The consideration of the applications from persons who have expressed the desire to engage in individual labor in the sphere of folk handicrafts, and the issuance of authorizations, are carried out by the appropriate artistic

councils that operate under the local soviets of people's deputies or at the appropriate ministries, departments, enterprises, or organizations.

In the event of refusal to issue an authorization for the right to engage in individual labor, the citizen, in conformity with Article 6 of the Law, has the right to appeal that decision at the executive committee of the superior soviet of people's deputies, the council of ministers of the autonomous republic, or the council of ministers of a union republic that is not divided into oblasts. The refusal by an artistic council can be appealed at the organization (agency) at which the artistic council was formed.

The executive committees of the kray and oblast soviets of people's deputies, the councils of ministers of autonomous republics, and the councils of ministers of union republics that are not divided into oblasts, on the basis of Article 6 of the Law, can define the types of individual labor for engaging in which the obtaining of an authorization is not required. It is desirable to formalize the list of these types of activities by a formal decision and the publishing of it in the local or republic press for the broad informing of the public.

It is not required to obtain the authorization of the executive committee of the soviet of people's deputies or the artistic council when the manufacture of the handicraft articles or the service rendered occurs once in the course of the calendar year, and the total amount of income derived does not exceed the currently effective monthly minimum worker's or employee's salary that is not subject to tax.

#### Qualification Requirements Made of Citizens Requesting an Authorization to Engage in Individual Labor in the Social-Cultural Sphere

Engagement in individual labor that is linked with the instruction in individual occupations and practical skills, and that also requires special knowledge, is authorized for citizens having the necessary training, and in instances stipulated by the legislation of the USSR and the union republics, the corresponding education as well (requirements pertaining to individual labor in the sphere of medicine are approved by USSR Minzdrav [Ministry of Health]). In this regard it is desirable to stipulate the following qualification requirements:

-- in the sphere of art (instruction in the playing of musical instruments, choreography, etc.): the existence of higher, incomplete higher (no less than three school years at an institution of higher learning) or secondary special education that corresponds to the area of specialization for the subject being taught; the existence of an honorary title (people's performing artist, honored performing artist, honored figure in the arts); membership in a creative union;

-- when conducting coaching classes, translating texts from or into foreign languages, as well as works in the languages of the peoples of the USSR: the existence of higher or incomplete higher (no less than three school years at an institution of higher learning) education;



-- in the sphere of physical culture and sport: the existence of special (physical cultural) education (higher or secondary); the existence of sports title (honored master of sports, chess or checkers grand master, international class master of sports, master of sports) without special (physical cultural) education for persons who have taken special courses; the existence of incomplete higher (physical cultural) education (no less than three years at an institution of higher learning).

As applicable to other types of services in the social-cultural sphere, the qualification requirements can be defined by the executive committees of the soviets of people's deputies.

#### The Issuance of Registration Certificates and Licenses for Engaging in Individual Labor

Citizens who have received an authorization from the local soviet of people's deputies or artistic council for the right to engage in individual labor receive, at the rayon (city) financial department (administration) for the place of their permanent residence, a registration certificate or obtain a license. Certificates and licenses are issued for all types of authorized work, with the exception of paid work that is of a one-time nature and that is insignificant with regard to the volume and payment of the labor.

Blank forms for the registration certificates and licenses are manufactured in a centralized procedure by USSR Ministry of Finance, which provides them to all the financial agencies on the basis of requisitions from the ministries of finance of the union republics.

In conformity with Article 7 of the law, the councils of ministers of union republics determine the types of individual work to be carried out on the basis of licenses. It is desirable to establish the issuance of licenses for engaging in individual labor that is connected with the need to travel (hauling of passengers and freight in personal means of transportation, photographic business, repair and construction of homes, etc.), and also for other types of work for which it is difficult to determine an accounting of income. It is also desirable to issue licenses in instances when citizens engaging in handicrafts and trades express the desire to sell those articles beyond the confines of the particular rayon or city where they permanently reside and manufacture the handcrafted articles.

The registration certificates or licenses are also issued in those instances when, on decision of the ispolkom of the soviet of people's deputies, no authorization for the right to engage in the particular activity is required. At such time the document that serves as the justification for issuing the registration certificate or license is the citizen's application that is to be submitted to the financial agency.

In order to obtain a registration certificate or license, citizens submit to the financial agency their internal passport and a photograph 3 x 4 centimeters in size, and citizens who are receiving licenses must also pay for the license. A state duty is paid at the same time.

In instances when the persons taking part in the individual labor are a married couple who are living together, parents, or other relatives or dependents who have reached the age of 16 years, those citizens are indicated in the registration certificate or license that is issued to the citizen.

The registration certificate and license are considered to be in effect within the limits of the calendar year, whether or not the authorization of the ispolkom of the soviet of people's deputies or the artistic council has been issued for a longer period of time. In instances when the authorization to engage in a particular type of individual labor is issued for a period of less than one year, a registration certificate or license is issued to conform to that same period.

In the event that the person discontinues his individual labor or moves to a permanent place of residence at another inhabited point, the registration certificate or license must be turned in to the financial agency that issued those documents. If the person resumes his individual labor in the course of the same calendar year, or if he changes the type of work, the registration certificate or license must be reissued in the generally established procedure.

The transferral of the registration certificate or license to other persons is categorically forbidden.

Persons with respect to whom the decision by the ispolkom of the local soviet of people's deputies or artistic council disapproved his engagement in individual labor are subject to having their registration or license confiscated.

#### The Sale of Commodities Produced in the Individual Labor Sphere

The executive committees of the local soviets of people's deputies and the trade and consumer cooperative agencies render assistance to citizens engaging in individual labor in selling the output produced by them, viewing this as a source of additional resources in state and cooperative trade.

Citizens engaged in individual labor in the sphere of handicrafts and trades can sell the manufactured output:

- a) directly to the customers;
- b) at markets and in other places where, in conformity with decisions of the executive committees of the local soviets of people's deputies, it is authorized to sell such commodities and articles;
- c) at nonfood commission stores in the USSR Ministry of Trade and Tsentrosoyuz [USSR Central Union of Consumer Societies] system. The sale of articles through commission stores is authorized within the confines of the list of commodities stipulated by the rules for commission trade;
- d) on the basis of contracts with enterprises, institutions, and organizations (sample contract form is attached as Appendix 2).

Citizens engaging in handicrafts and trades can sell articles produced in those trades not only within the confines of the city or rayon where they live, but also in other cities and rayons.

The sale of articles produced by persons engaged in folk handicrafts can be carried out at sale-exhibitions or other places specially set aside for these purposes, as defined by the executive committees of the local soviets of people's deputies. The same procedure can be followed in selling other works of fine art.

The sale of artists produced by persons engaged in handicraft and folk-art trades (articles of traditionally folk art, as well as decorative applied art) to customers and at markets is carried out at prices in accordance with an understanding.

The sale of articles on the basis of contracts with enterprises, institutions, and organizations is carried out at prices in accordance with an understanding, but no higher than the currently effective state retail prices for similar commodities and articles produced at state and cooperative enterprises and organizations.

The acceptance of handicraft articles for sale on a commission basis is carried out in accordance with the currently effective state retail prices, with a consideration of the quality of the articles and the purchasers' demand for them, as well as with the withholding of deductions in the amount of 7 percent to be paid to the commission stores.

The sale of handicraft articles is authorized with respect those types of articles the production of which is authorized to the citizen by the executive committee of the local soviet of people's deputies and which is indicated in the registration certificate or license.

#### Transportation Services for Citizens As Provided by Owners of Private Motor Vehicles

Citizens owning motor vehicles who wish to carry out transportation services for other citizens must:

- have a category "V" driver's license and must have at least three years unbroken experience in driving motor vehicles;

- have the appropriate medical statement and must undergo medical recertification every three years;

- maintain the motor vehicles in technically good working condition and, at the established times, the vehicles must annually undergo state technical inspection.

Citizens who must not be authorized to perform transportation services for the public are those who are driving motor vehicles on the basis of power of

attorney, physically handicapped drivers with vehicles having hand controls, and drivers having medical statements with a limited effective period.

#### The Procedure for Renting Nonresidential Premises to Citizens

The renting, to citizens engaged in individual labor, of nonresidential premises belonging to local soviets of people's deputies, enterprises, institutions, and organizations, is carried out on the basis of contracts as applicable to the Standard Contracts approved by the appropriate ministries of the union republic (for example, the Standard Contract for Rental of Nonliving Areas (Structures) in the Buildings of Local Soviets, State, Cooperative, and Public Organizations, which was approved by RSFSR MKKh [Ministry of the Municipal Economy], dated 9 October 1985). Questions concerning the rental rates for nonresidential premises rented to citizens are resolved by the councils of ministers of the union republics in conformity with their competency.

#### Organizing the Monitoring of the Observance by Citizens of the Procedure for Engaging in Individual Labor

In conformity with Article 22 of the Law, monitoring of the observance by citizens of the procedure for engaging in individual labor is carried out by the ispolkoms of the local soviets of people's deputies. It is desirable to entrust this monitoring to the functional departments (administrations) within the confines of their competency.

In the course of carrying out the monitoring of the individual law, primarily the following questions are to be checked:

- the existence in the citizens' possession of a registration certificate or license to engage in individual labor;
- the correspondence of the individual labor to that which is specified in the registration certificate or license;
- the proper quality of the commodities being produced or the services being rendered;
- the observance of the sanitation and fire-prevention rules and standards, as well as other rules pertaining to the particular type of activity;
- the observance of the established rules for the acquisition of raw and other materials and other property to be used in the process of individual labor.

With respect to persons engaging in individual labor in the social-cultural sphere, a check is made of the quality of the medical, pedagogical, and other special services being rendered.

The data pertaining to the inspections and investigations is formalized in statements. It is desirable to involve broadly in the inspections, in addition to staff workers, competent representatives of the public, from among deputies

the workers at the appropriate state and cooperative enterprises, institutions, and organizations.

The results of the inspections and investigations are summarized and periodically reports to the ispolkoms of the local soviets of people's deputies. Simultaneously, recommendations are prepared concerning the improvement of the work of the industry that produces consumer goods and organizations that render services to the public, and also concerning the elimination of unsubstantiated limitations in the work of citizens carrying out individual labor.

The financial agencies and the internal affairs agencies are obliged to guarantee the complete identification of the persons engaging in individual labor, to monitor regularly the observance of the established procedure for carrying out that activity, and to reveal any instances of engagement in banned types of activity. In addition, the financial agencies are obliged to check the completeness and correctness of the accounting of income received by citizens employed in individual labor, and to locate any instances of submission by citizens of tardy or falsified declarations of received income.

In the course of the inspections, the financial agencies and the internal affairs agencies must be strictly guided by the existing instructions of the USSR Ministry of Finance and USSR Ministry of Internal Affairs with regard to this question, and must guarantee constant efficient interaction, devoting special attention to coordinating the work of monitoring the observance of the Law Governing Individual Labor.

The violation of the procedure for engaging in individual labor, or the engaging in individual labor for which there exists a special prohibition, results in administrative or criminal responsibility that is stipulated by the codes of the union republics concerning administrative misdemeanors and the criminal codes of the union republics.

At the present time a determination has not yet been made in all the union republics, listing the officials who have the right to prepare the official reports on administrative misdemeanors linked with violations of the procedure for engaging in handicraft trades or other individual labor, or engaging in prohibited types of such activity. It would be desirable for the councils of ministers of the union republics within the near future to resolve this question in the procedure established by the Law.

#### Ban on Engaging in Individual Labor

Persons who have violated the procedure for engaging in individual labor can be banned from continuing that activity. The decision concerning this matter is made by the ispolkom of the local soviet of people's deputies or by the appropriate artistic council that previously issued the authorization for that activity.

The justification for making a decision concerning the ban on engaging in individual labor is provided by:

- the data pertaining to inspections and investigations carried out by the same agencies that previously issued the authorization, or by representatives of the public who have been involved in those inspections and investigations;
- the official reports prepared by the competent agencies concerning violations of the legislation by citizens;
- the finding of the administrative commissions under the ispolkoms of the local soviets of people's deputies;
- the finding of agencies of the procurator's office.

The decision issued by the ispolkom of the soviet of people's deputies or the corresponding artistic council concerning the banning of a citizen from engaging in individual labor is sent to the appropriate financial agency, which, on the basis of that decision, carries out the confiscation of the registration certificate or license from the citizen.

In those instances when the inspection or investigation has established the violation of the procedure for engaging in individual labor that does not require the authorization of the executive committee of the local soviet of people's deputies, the confiscation of the registration certificate or license can be carried out by the financial agency itself.

5075

CSO: 1828/107

## LABOR

### SHALAYEV, OTHERS DISCUSS TRADE UNION ROLE, ORGANIZATION

LDO32302 [Editorial Report] Moscow Television Service in Russian at 1445 GMT on 3 April 1987 carries the 45-minute "Problems, Search, Solutions" program presented by political observer L.A. Voznesenskiy, with the participation of AUCCTU Chairman S.A. Shalayev and AUCCTU Secretaries V.P. Provotorov and K.T. Turysov.

Voznesenskiy says that this program is a follow-up to two previous programs, shown before the AUCCTU Congress, devoted to trade union activities. During the programs 1,300 questions had been received and today's program, from an office in the AUCCTU, would try to answer more of them. He asks Shalayev to say how work with letters is organized.

Shalayev notes that the AUCCTU Congress received over 30,000 letters. The AUCCTU Presidium has already reviewed 540 letters containing complaints and proposals and action had already been taken; others had been passed to the appropriate ministries and their progress would be monitored. TRUD is to give published answers to some of the letters.

Voznesenskiy says that about one-third of the letters concern the role of trade unions in improving production. Turysov says that trade unions should get involved in transferring enterprises to the new methods of economic management and in checking the social aspects of works' plans. They should also ensure that production planning is efficient. He says: "a second group of questions are the questions of ensuring the autonomy of the enterprise. It is no secret that we are coming across cases all over the place of interference by higher-ranking bodies who remove funds from the economic incentives funds without the agreement of the labor collectives." In order to prevent this, better economic education for workers is being organized, he notes.

Turysov says that many letters complain of formalism in the organization of socialist competition. He notes that the AUCCTU withheld many socialist competition prizes last year. A new draft decision on competition has been drawn up which will replace some 132 previous decisions. So restructuring here will make competition much more straight-forward with only five main criteria, Shalayev says.

Provotorov replies to questions about changes in trade union organization. Some trade union activists are worried by the role of the new councils of labor collectives and whether they will infringe on trade union rights but there is sufficient work for both, especially as trade union rights are being expanded. However, the former Standing Production Conferences have been superseded by the new councils. The number of trade union commissions is being reduced. He explains: "If one is to speak about our paperwork and reports, then it must be said that a number of decisions have been taken in the past few years which have reduced by almost half the amount of statistical information required from trade union organs. However, the question is much wider. I think it is a question of restructuring our way of thinking. The task is to overcome the worship of forms and to pay more concern to the essence of issues."

Voznesenskiy brings up another aspect of trade union work; saying: "It is now time for us to talk about the protective functions of the trade unions, about the social side of their activities." Shalayev replies: "You are right, Lav Aleksandrovich and so are those television viewers who call our attention to the poor quality of the work of the trade union organizations in carrying out their functions of protecting workers' rights. Comrades cite specific examples of how various trade union committees have not supported the trade union members or the workers when the question of their work was being decided. There were many letters about bringing workers in to work on their off-days, on Saturdays and Sundays, for overtime without sufficient grounds for it, on questions of violations of housing legislation and on other similar questions connected with the trade unions' protective functions."

Shalayev agrees that this criticism was justified, and goes on: "We are drawing the necessary conclusions from this criticism and we are now drawing up fundamental work to restructure the legal protection and juridical help for the working people. We have submitted a proposal to the government to improve the work of the commissions on labor disputes at enterprises and establishments, on changing the nature of their work to bring juridical and legal help closer to our working people at their work places and in their homes. At the trade union congress we agreed that in all administrative regions of the country we could set up a trade union legal counselling service to give legal aid to and protect the working people when they apply to these legal counselling services."

Voznesenskiy says that this might result in many problems being solved locally which now entail correspondence with central bodies. Shalayev agrees and remarks that after the recent television programs he was asked to receive workers from the far ends of the country; and many of their problems could have been solved locally.

Shalayev goes on: "I would now like to mention another one of our plans. There are 80,000 legal workers employed at enterprises and institutions--80,000 officials with legal education. We make poor use of them at present. But many of them in their work at enterprises prepare documents for their administration and at times prepare them in violation of labor legislation. I can tell viewers that there are 750 legal inspectors working for the trade unions for the whole country. We place great hope in our legal inspectors and



we are to raise their role and responsibility. But we must considerably raise the responsibility of legal officials in industrial enterprises, make them equally responsible with the heads of the enterprises for all the violations committed in the various labor collectives. And I must say we were preparing a proposal for the government on this matter." Shalayev goes on. "As far as the trade unions are concerned, at the congress very many serious criticisms were made of us--I mean AUCCTU officials--and we must decisively restructure our role as defenders of rights including in the apparatus of the AUCCTU itself."

Voznesenskiy presents a telegram from a worker whose complaint had been sorted out after he was received by Shalayev: the worker said that the complainers were victimized afterwards. Shalayev promises to pursue the matter, and goes on: "I think that the trade unions could seriously bring to bear on such cases, all of their great rights and opportunities. If an enterprise head begins to persecute people for criticism or simply for making a speech at a meeting, then this head cannot consider himself head of this labor collective. Trade unions have the opportunity to express their lack of confidence in such a head and we should probably have recourse more often to this form of showing our trade union attitude to persecution for criticism and to the violation of our workers' rights. But I think that the process of improving the situation will be improved by the practice of proposing and electing economic managers. This will lead to different relations between workers and managers: more trusting and more responsible to each other."

Provotorov replies briefly to a question whether the electoral principle should be spread outside the production sphere and says it is happening already in education.

Voznesenskiy says that almost one-third of the letters received are concerned with pension provision. This question is discussed at length and the need for some merit-released benefit is supported. A new draft law on pensions is to be ready by the middle of this year. There is no intention to alter the pensionable age.

Another proposal from viewers is for the length of holidays also to be merit-related. The AUCCTU is proposing new legislation in this sphere too. It is being proposed to give managements the right to extend vacations at the expense of the collective.

In conclusion, Voznesenskiy quotes an anonymous letter which says that no one will accelerate their work unless, first, all their needs are satisfied. Shalayev replies that acceleration and restructuring are needed in order to be able to afford to solve social requirements.

/12913

CSO: 1828/113

## LABOR

### SUBSTANDARD PRODUCTS AFFECT WAGES, BONUSES OF WORKERS

Moscow SOVETSKAYA ROSSIYA in Russian 16 Jan 87 p 1

[Article by Vladimir Shilov: "You and Your Comrades-in-Arms"; first two paragraphs are SOVETSKAYA ROSSIYA introduction]

[Text] Restructuring, openness, the human factor, democracy, and many other fine words can be heard from the lips of some managers who sincerely believe that, by pronouncing these words, they are keeping abreast of the times. But unmaterialized words remain just words. Furthermore, when they are pronounced often, but nothing is done, there is a devaluation of the words. And people begin to lose confidence that anything will change for the better....

Restructuring is proceeding with difficulty. Up to now we have had more words spoken about it than actual work. Perhaps I am incorrect in certain matters, but what I have written stems from reality and the facts. I am an ordinary person, like hundreds of thousands of others, but I wrote because I want everything that I see on television, hear on the radio, and read in the central newspapers to be carried out not just somewhere else but in our area also. You know, the high-water phase and purity of a large river depend upon the many small rivers and streams which flow into it.

Vasiliy GOSTEV, Driver, Motor-Vehicle Column No. 3, Kovdorstroy Trust, Murmansk Oblast.

Although Vasiliy Petrovich Gostev has described himself in writing as an "ordinary person," this is not the case at all. He is not merely a sensible and conscientious worker but also a worker-correspondent of the local city newspaper, KANDALAKSHSKIY KOMMUNIST; from its pages for several years now he has conducted an active attack on disorder and shortcomings, and he has advocated active participation by workers in production administration. In recent years this city newspaper has published several sharp notes by worker-correspondent V. Gostev. Some of his letters have been directed at enterprise managers so that they might adopt certain measures. But, of course, the people sitting in such offices are not stupid either. They acknowledged the criticism, held a meeting, assured the editors that "permanent monitoring controls would be set up," and "closed the matter." But the worker-correspondent has not quieted down; he does not want to be satisfied with ad-hoc half-measures. The administration became irritated: "Who does he think

he is, anyway, this Gostev? What does he mean by butting into other people's business? He would do better writing about production leaders!" And even the editors are no longer so willing to publish the alarm signals from their worker-correspondent: How much can we print about one and the same thing? And so certain pessimistic notes have begun to be heard in his letter.

How are we to answer you, esteemed Vasilii Petrovich? We could, of course, request the local party organs to pay more careful attention to the situation in your group. But it would be incorrect for you to place your hopes solely on somebody coming from the oblast or from a central newspaper to restore order in your area. The decisive force in restructuring in any group, including yours, lies in the thoughts and actions of people. And does your area have many persons who not only think as you do but are also active fellow workers and comrades-in-arms? This is not evident from your letter. Two years ago you wrote as follows in a note:

"And what about the motor-vehicle column's workers? Because, of course, the Law on Labor Groups has granted them large rights in the sphere of production administration. No, the workers are not silent. At meetings they introduce their own proposals and point out shortcomings, but at the next meeting they have to return to the same topic, since everything has remained as it was before. Therefore, the attendance rate at the meetings is low; they prefer to 'let off steam' on their own."

Since that time the social and moral climate in the country has sharply changed. The party is energetically carrying out a policy course aimed at developing democracy and guaranteeing the principles of social justice. And it is very unfortunate that even now your enterprise's workers, as clearly shown by your letter, prefer to "let off steam" by themselves as before, while keeping silent at meetings. But, of course, it is precisely that heated-up moral "steam" in each person which is the main mover of restructuring. Why should it be expended without being used? You are irritated that not enough good comes out of meetings. I share your irritation. But, you know, debates among yourselves are even less useful. It would be more correct to transform them from boring "explanations" into the corrective realization of vitally important and necessary decisions. Of course, this is primarily the concern of the party organization--to create favorable conditions for democratizing administration. Your enterprise's party committee is obviously not working hard enough here, and the administration, taking advantage of this, has allowed itself to ignore the remarks and proposals of the workers. And so the mood of the "disturber of the peace" has fallen, and he writes bitterly as follows:

"Its as if nothing has changed in our life, as if there had been no decisions by the 27th CPSU Congress, and restructuring did not affect us...."

You are off the mark there, Vasilii Petrovich. Restructuring is a sharp, uncompromising struggle. And a struggle is not just a victory parade. There are also hitches and failures on certain sectors of the front. We must also be prepared for the pain of temporary defeats. But we must not lose heart, retreat, and give up. Believe me, there is no turning back. The times themselves demand changes, and the moral-political situation which has been

created in the country favor them. Today tens of millions of workers, engineers, and technical specialists have been drawn into the process of restructuring. The initial results can be judged by last year's economic results. Focus your attention on the following points: solely by means of strengthening discipline and good organization on production lines, in transport, and in administration we have achieved a considerable--almost double--acceleration in the growth rate of output produced not in offices but directly at the work places. Is this not a materialization of restructuring?

We have already undertaken a nearby, short-range reserve--instituting basic order. The strategic, long-range reserves--scientific and technical retooling--are still on the march. And so, in carrying out the current plans, the deciding word will be spoken by the "human factor." In other words, each person at his own place must add something to the work. And for this purpose it is necessary to utilize all measures to stimulate initiative and creative independence so that a worker may function not because of the orders and urgings of a section or shop boss but by proceeding from his personal interest and pride in the final results of the commonly shared task. The principal obstacle, it seems to me, is the "employment complex," the higher-ranking administration, and bureaucratism.

Just think, Vasiliy Petrovich. For many years a worker's material and social well-being were determined in offices. Behind closed doors plans and assignments were drawn up, and norms were worked out. A small circle of persons decided whom should be given bonuses, apartments, and travel passes. Despite our social postulates, it happened fairly frequently that a worker turned out to be personally dependent on a certain administrator who could give him an advantageous position or promote him to the ranks of the leading workers. What was demanded in return was slavish performance and obedience. Times have changed, but old customs die hard. Many managers do not want to lose the privileges of power; they prefer to rule rather than administer. Hence the failure to pay attention to the workers' opinions and the scornful neglect of the democratic forms of mutual relations.

Similar instances are to be encountered not only in Kandalaksha. N. Ramota, an OTK [Division of Technical Control] auditor from Bryansk, reports how the managers of a shop have organized a prosecution of the principal state inspection. The driver V. Novikov and the electrician N. Zhukov have complained about the poor business organization at the Kalinin PMK [Mobile Mechanized Column]-708 of the Svyazstroy Trust. An official at the Krasnobakovsk Gorktorfstroy PMK have complained about the uneconomical attitude on the part of transport workers toward construction materials. Different people, different cases, different addresses. But in one way they are similar to your situation, Vasiliy Petrovich, and that is in the use of letters: they all seek redress in Moscow, in the central departments, and the newspapers. Let a special correspondent come, they say, and he will help us to carry out restructuring. One anonymous writer even proposed to set up a "system of plenipotentiaries for restructuring, allocated extraordinary rights." I do not wish to cast doubts on the right of any citizen to appeal to any of the highest levels. But when one reads letter after letter such as yours, the image arises of some Don Quixote-like knights who, within a group numbering many thousands of people, are struggling practically by themselves

for restructuring against the sluggishness of administrators and red-tape "experts." I agree that there are still quite a few such persons among our managers. They are clinging to their usual, albeit nowadays unsuitable, methods. But what about the people around you, your comrades at work? Why do they remain in the role of soccer fans who get hot and excited, root for the team, but remain on the sidelines as mere spectators?

So it turns out the workers also have a powerful inclination toward the "employment complex," placing their hopes on "letting the bosses think and decide for us, as long as we keep getting bonuses." The scope of such time-serving has been revealed with the introduction of state product inspection. At times as much as 50 percent of a product has been returned for finishing work and adjustment. Plants and whole sectors have immediately been listed among those which are lagging behind. Workers' wages have fallen by 40-50 rubles a month. Does that mean that this money was previously paid out as an incentive for low-level product quality? In transportation and construction "padding" has reached enormous scope. And that means that millions of rubles will be overpaid in wages and bonuses. Non-wage bonuses, which are received not only by managers but also by workers, are nothing but unearned income. Intellectually everyone understands that it is high time to tighten up public accounting and monitoring controls on the distribution of material means and social goods. But people are not too inclined to give up their illegal bonuses voluntarily. They have become used to them!

Is it not for this reason that many people have not shown much activity in restructuring? Because, after all, restructuring is primarily a matter of "to each strictly according to his work" and "he who works better should live better." Far from everyone likes such a restructuring. Hence also the policy of wait-and-see: for restructuring among one's close friends, but mum's the word at meetings. But the times of the command economy have passed never to return. Economic accountability will break both the "administrative complex" and the "employment complex." In some groups this will occur earlier, in others later; but it must occur. There is no turning back on the road of restructuring. But, of course, we must not place all our hopes solely on irreversibility; we must actively cooperate. There are enthusiasts for restructuring in every enterprise. We must combine our forces and widen the zone of our actions. In your letter you complain that the good Law on Labor Groups is practically inoperative at your enterprise because the administration has no need of it, while the trade-union organization is not guided by it. You are undoubtedly right in this. It is necessary, very necessary that the trade unions be more energetic and decisive in defending those workers' rights which are provided for by the Law on Labor Groups, see to it that the administration unwaveringly observes all the provisions directed at developing collective self-administration. However, again we should not wait for any special instructions on this score. We need to be more active in using our own legitimate rights.

After all, that is the way the metallurgists of the Seversk Pipe Plant acted when they took upon themselves the economic responsibility for the work done by every member of the group. For almost 10 years they were "outside of the law." But now their experiment has received recognition. And what about the example of the suburban Moscow trust headed by N. Travkin? Moreover, he does

not direct it personally; this is done by the enterprise's council. Now the task of restructuring the entire construction organization "in the Travkin way" has been set for us. But how many thorns there were on his path until just recently! I assure you, Vasiliy Petrovich, that there are a great many such constructive examples, and there are more and more of them all the time. They all teach the following lesson: we must struggle for our own truth and justice persistently and untiringly, despite the most unfavorable circumstances. Seek out your fellow workers, expand the zone of worker activity, and do not be depressed by failures. That is my wish for you.

2384

CSO: 1828/75

## LABOR

### SUPPORT FOR, FLAWS OF STATE ACCEPTANCE IN UKSSR CITED

PM031444 Moscow LITERATURNAYA GAZETA in Russian 25 Feb 87 p 10

[Article by Sergey Kiselev, LITERATURNAYA GAZETA's correspondent for the Ukrainian SSR: "The Drama of State Acceptance: Why, in the Course of Restructuring, Are the Same People 'For' and 'Against'?"]

[Text] Whoever you talk to at the Kiev Bozhenko Furniture Factory about the introduction of the state acceptance system here, they are all "for" it.

Ivan Makarenko, joiner: "At one time the shop chief used to call me a shoddy worker sometimes. Just let anyone try and say that now. Everything I do is accepted first time. I'm pleased, and they're pleased."

Stepan Tkachuk, senior foreman: "In the few months since they introduced state acceptance here, it has done more to improve quality than all the commissions have done in decades. As a rule we used to find out in good time about checks both by the State Committee for Standards and by the Mebel firm. And if the controllers ever did turn up unexpectedly, then while they were in the office studying the papers, we always managed to prepare a suitable consignment of furniture for them, with no rejects. Now there is nobody to deceive except ourselves."

Yelena Latysh, shop chief: "It wasn't only the workers--I myself, in the old days, never even looked at the blueprints or the documents containing the standard requirements, for years on end. We made the furniture from memory, by eye. The technologist, the designer, the technical control section, the chief engineer, and horror of horrors, the factory director himself remembered the existence of the standards only when a conflict arose. But now, go into the office of any leading worker and you will certainly see on their desk a pamphlet marked 'USSR State Standard.'"

Valeriy Dovbush, state acceptance leader: "As the old Ukrainian proverb says: The wind will not blow, so we shall have to row. That is, after the empty debates about improving quality that we conducted for years on end at all kinds of planning sessions, operational meetings, conferences, and sessions, the first step has at last been taken toward really improving the quality of output produced."

Vladimir Gavrilenko, director: "In the old days enterprise directors were removed from their posts because of the lack of quantity. For the lack of quality they were merely scolded. The results of this policy are plain to see, so to speak, in the economy. The present day makes different demands on us. And the state acceptance system will help us to cope with them..."

But it is a strange thing. At the same time, whoever you talk to at the Kiev Bozhenko Furniture Factory about the introduction of the state acceptance system here, they are all--and these are the very same people!--not exactly against, but...

Ivan Makarenko, joiner: "I tell them: You provide me with what you are supposed to provide, and I will work the way I'm suppose to. And then the state acceptance system can hold me fully responsible. But they don't give me the raw materials, the tools, or the machinery. It's not my fault that the suppliers are like that! Formerly, because of them, we spent the first two-thirds of every month playing dominoes, and then for the last third of the month everyone pulled their weight and worked on days off too, so as to fulfill the plan and get a bonus. And what's more, we didn't turn out really shoddy goods, although, of course, the quality was a bit worse than today. But in those days I earned an average of 250 a month. And now? We have state acceptance, but we still haven't got the raw materials. And that means I don't get my 250. Well, OK, you think, we'll stick it out for another month or two, we'll lean on the suppliers, they will provide us with the proper tools, we'll fulfill the plan with high quality goods, which is why state acceptance was introduced. And how much will I get for a month's work then, with the very highest quality output? Still 250, it turns out, because the state acceptance hasn't changed our wage rates, but every ruble is harder to earn!"

Stepan Tkachuk, senior foreman: "Even if you had two state acceptance systems, things won't run properly until the existing standards are revised in every sector in the country. Today we cheerfully give the appearance of turning out quality under the auspices of state acceptance. But what kind of quality can there be, when the output is still not up to the standard and will not be for a long time to come? And through no fault of ours. For instance, we have in our sector a guillotine tool for cutting veneer, manufactured by the Yaroslavl Proletarskaya Svoboda Plant. The State All-Union Standard permits the machine builders a slight deviation in this machine tool--up to fifteen hundredths of curve per meter of veneer. But the State All-Union Standard for furniture makers states that in gluing on the veneer, there must be no curve at all--or else the lacquer will seep into the gap. Is it possible, for instance, to keep to the parameters of today's state standard when you are manufacturing components with German machine tools which came to the factory some 40 years ago by way of reparation?! Yet the state acceptance people hit us for all these things. In general, if state acceptance is intended to combat blatantly shoddy workers, we never had any. And if it wants to wage a struggle for Quality with a capital Q, the struggle should not begin only at the enterprise."



Yelena Latysh, shop chief: "The state acceptance system finds fault with us because the three-door wardrobes are defective. But if that is how you look at it, let us get to the bottom of it: Whose fault are the defects? Formerly, the answer would have been unequivocal: The suppliers' fault, for sending us poor quality raw materials. But now who is to blame? I think the state acceptance system itself is to blame, if it lets raw materials in when they do not meet the state standard."

Valeriy Dovbush, state acceptance leader: "I think state acceptance is a temporary phenomenon, like, for instance, food requisitioning once was. Neither was introduced just for the fun of it: Necessity dictated it. But just as food requisitioning made the peasant's work disadvantageous, so under the conditions of state acceptance it seems to have become disadvantageous for the worker to make an effort. He has no material interest in using obsolete equipment and obsolete machinery to put more effort into the same work (and for the same money) that it was easier to cope with before the introduction of state acceptance. It is only possible for a certain time to force a worker, with the help of strict control, to do something that is not to his advantage. That cannot last for long, unless, of course, the state acceptance system is provided with a carrot as well as a stick."

Vladimir Gavrilenko, director: "For the working people at our factory, from the very first days of its existence state acceptance was an excellent educational factor and made us all more responsible about our duties. But for many other enterprises it has remained an abstraction. I have in mind our suppliers, from whom we are still receiving poor quality raw materials, and with interruptions in the supply too. And this is in spite of the fact that the republican Ministry of the Timber and Wood Processing Industry has instructed them to pay special attention to the quality of output destined for our factory. This means that where state acceptance has not been introduced, someone is receiving raw materials of even worse quality. Either state acceptance should be introduced throughout the sector, or indeed in every sector, or else there is no point in demanding quality at one enterprise taken in isolation."

I listened to all these comrades, and thought: Why this ambivalent attitude toward the state acceptance system in people who have been working under the new conditions for several months now? It is because state acceptance at the Kiev Bozhenko Furniture Factory has become a kind of magnifying glass in which the merits and shortcomings characteristic of a production unit which for many years fulfilled the plan with the help of last-minute rush tactics are clearly visible. But also, the state acceptance system itself very rapidly demonstrated its merits and shortcomings in conditions where one enterprise has gone over to the new system, but the whole association and the whole sector are working in the old way.

The merits of state acceptance: In a few months, output quality has improved at the furniture factory. Blatantly defective goods have been excluded. The furniture leaves the shops in packaged form, and thus arrives at the trade network with fewer cases of accidental damage than before. People's attitude to labor has changed, it has become more responsible, more moral.

The shortcomings: These are largely explained by the fact that from the first days of the establishment of state acceptance (and not only at the Kiev Furniture Factory) it came up against powerful, very experienced enemies who have already succeeded in ruining more than one good beginning. They are formalism, the habit of announcing noisy campaigns on any pretext, and, lastly, the customary irresponsibility of those who, by virtue of their official duties, hold other people responsible.

Take, for instance, the state acceptance workers themselves. How long can they last on enthusiasm alone? As yet they have no material interest in the quality of their own work, they are on a "bare" wage rate, since the bonuses promised by the State Committee for Standards so far remain in words and on paper. The point is that as soon as the fine-sounding cry "On with state acceptance!" was heard, from the beginning of this year the number of state acceptance workers was considerably increased against what was planned. And now there is not enough money to pay bonuses, and indeed the provision on bonus payments has not been elaborated.

The real rights of state acceptance at the enterprise are not yet fully understood. For instance, in the main the Kiev Furniture Factory receives particle board from the Kiev Wood Processing Combine, where state acceptance has not been introduced. What can the factory control system do, if the combine produces 100 percent of this particle board with a significant deviation from the state standard? Write threatening letters to the combine and demand that the Ukrainian Center for Standardization and Metrology deal with it? But we have known for a long time that threatening letters do not help, and complaining (even to arbitration) hardly ever helps to make slack suppliers fulfill their contractual commitments.

And another thing. Despite the initial demand to protect the state acceptance system from pressure from the enterprises' administration, it has not been excluded: State acceptance workers have to get apartments, travel passes, kindergarten places for their children, and other social benefits from the plants and factories where they exercise control. And whereas last fall the state acceptance workers at this small factory were placed on the party and trade union roll of the Standardization and Metrology Center, from January of this year they are once again on the roll at their own enterprise...

The Bozhenko factory is in a spin for the 3d month in succession. For the 3d month it is not fulfilling the plan, since it does not have the groundwork or all the necessary equipment and parts, and the state acceptance requirements, even the less tough requirements, allow no opportunity to "catch up" on quantity at the expense of quality.

This unevenness in deliveries and the failure to provide enterprises with materials discredit the very idea of state acceptance, make it responsible for someone or other's disorganization, and turn its supporters into opponents. Back on 24 November last year V. Kostenko, Ukrainian first deputy minister of the timber and wood processing industry, signed a document on creating a permanent stock of particle board and fiberboard, facing and finishing materials, and so forth at the Bozhenko Furniture Factory. But this stock has yet to be created. That is why the factory has an ambivalent attitude to state acceptance today, with everyone being "for" and at the same time not exactly against, but...

The CPSU Central Committee January Plenum called on everyone to work efficiently and conscientiously. That is the guarantee of success in the restructuring. Does not the state acceptance system form part of our restructuring?

/12858

CSO: 1828/109

## LABOR

### ECONOMISTS COMPARE GROWTH PATTERNS IN LABOR PRODUCTIVITY

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 2, Feb 87 pp 76-83

[Article by A. Shirov, chief of the division of the Center for Scientific Organization of Labor of the Ministry of the Chemical Industry, candidate of economic sciences, and A. Makhmutova, senior scientific associate of the Scientific Research Institute of Labor: "Reserves for Increasing Labor Productivity in Industry"; first paragraph PLANOVOYE KHOZYAYSTVO introduction]

[Text] While the growth rates of labor productivity in industry are sufficiently high, there are still significant unutilized reserves. They are related to improvement of technical supply of enterprises and improvement of the organization of production and labor. The realization of these reserves will be promoted by extensive dissemination of the positive experience that already exists, the restructuring of the economic mechanism, and a strengthening of the interest of collectives of enterprises in increasing the effectiveness of production.

The main task of the party economic policy and the main stage is intensification and increased effectiveness of production. The most important condition for carrying it out is increased labor productivity. It serves as the basic source for increasing the volumes of national income and the production of products and, consequently, for further developing the economy and raising the standard of living of the people. The level of labor productivity to a decisive degree determines the results of the production and economic activity of the enterprises and the effectiveness of the utilization of financial, material-technical and labor resources. In industry the growth of labor productivity has provided for a considerable increase in the output of products (under the 8th Five-Year Plan--73 percent, the 9th--84 percent, the 10th--75 percent, and the 11th--about 90 percent), and in 1981-1985 the savings will equal the labor of more than 15 million people. In 1985 an increase in this indicator of only 1 percent provided for an increase in national income of 5 billion rubles (which corresponds to saving the labor of about 1 million people), the output of products in industry--8 billion rubles, and in agriculture (the public sector)--1 billion rubles; and 900 million rubles' worth of construction and installation work was done in capital construction.

The rates at which labor productivity increased were fairly high in all branches of the national economy (table).

in %, 1970 = 100%

	1975	1980	1985
National economy--total	125	147	171
Including:			
Industry	134	156	182
Agriculture (public production)	107	123	139
Rail transportation	124	124	135
Construction	129	143	163

The Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000 envision a considerable acceleration of the growth rates of this most important economic indicator. By the year 2000 it is intended to increase it for the national economy as a whole by a factor of 2.3-2.5, having provided for an increase in production with a simultaneous reduction of the need for labor resources. While in 1981-1985 the average annual rates of increase in labor productivity and industry amounted to 3.2 percent, in 1986-1990 they should increase to 4.2-4.6 percent, and in 1991-2000--to 5.7 to 6.3 percent.

This problem will be solved primarily through improving the investment policy, increasing the effectiveness of capital investments, extensively utilizing the latest technical equipment and technology, and improving organizational forms of management as well as the entire economic mechanism.

The proportion of capital investments allotted for restructuring and technical reequipping of production will have increased to 50 percent by 1990. The coefficient of annual removal of outdated equipment will increase to an average of 5.6 percent.

There will be a considerable increase in the output of new, highly productive technical equipment, and the application of progressive technologies that are the basic ones for each branch will expand by a factor of 1.5-2. Calculations show that in order to provide for an annual increase in labor productivity in the national economy as a whole of 5 percent, it is necessary for new machines and equipment (with time periods for updating them of 10 years) to be put into production only if their productivity increases by a factor of approximately 1.6 and the cost decreases by no less than 40 percent.

In addition to acceleration of scientific and technical progress and improvement of management methods, activation of the human factor and active participation of all workers in production management are extremely important in increasing the growth rates of labor productivity.

The solution to the problem of increasing the growth rates of labor productivity is complicated by the fact that beginning with the 1970's they have begun to decrease in industry and its leading branches. While under the 9th Five-Year Plan the average annual growth rates of this indicator were 6.0

percent, under the 10th and 11th they were 3.2 percent. They decreased especially significantly during 1981-1985 as compared to the 9th Five-Year Plan in electric energy--from 5.9 percent to 1.35 percent, in the construction materials industry--from 5.7 percent to 2.3 percent, and in light industry--from 4.2 percent to 1.9 percent.

To a certain degree this was brought about by the effect of objective factors--the change in the structure of industrial production, the creation of large production complexes in regions of the country with difficult access that were sparsely populated, the deterioration of the mining and geological conditions for the extraction of minerals and the reduction of the content of valuable components in minerals. According to calculations, the average annual reduction of the growth rates of labor productivity during 1981-1984 as a result of structural changes in production amounted to 0.8 percent in industry.

But the main reasons for the existing situation were the shortcomings in the economic mechanism that is in operation, the lack of correspondence between the methods of management that are being used and the scope and tasks facing the economy in the modern stage of its development, and the weakening of discipline and order in production. Measures for improving the economic mechanism were frequently carried out slowly and not always consistently, which made it impossible to fully utilize the existing technical, socioeconomic and organizational reserves for increasing labor productivity.

The decisions of the July (1983), December (1983), and April (1985) plenums of the CPSU Central Committee, the Law on Labor Collectives adopted in 1983, the decrees concerning improvement of capital construction, acceleration of scientific and technical progress, streamlining and certification of work places, development of brigade forms of labor organization, improvement of norm setting, strengthening of labor discipline, the economic experiment conducted in a number of ministries for expanding the rights of production associations (enterprises) and the strengthening of their responsibility for the results of their work and a number of other party and government decisions earmarked concrete measures and ways of increasing labor productivity in all branches of the national economy. As a result of their implementation positive changes have been made, the indicators of the effectiveness of production have improved, and the growth rates of labor productivity have accelerated.

The proportion of capital investments used for reorganizing and technically reequipping existing enterprises has increased (from 34.3 percent in 1982 to 37.5 percent in 1985). The proportion of incomplete construction as compared to the entire annual volume of capital investments in 1984 amounted to 78 percent as compared to 84 percent in 1982.

We have begun to introduce the achievements of science and technology and to production more extensively. The number of models of new types of machines, equipment, devices, instruments and means of automation created in 1985 was 3,422, the number of new kinds of industrial products assimilated for the 1st time grew from 3,608 in 1982 to 4,166 and automated systems for controlling technological processes in production rose from 376 to 783, respectively.

Just during 1985 in industry about 4,000 sections, shops and productions were comprehensively mechanized and automated, 6,000 mechanized flow lines and automatic and rotary lines were installed, more than 8,000 industrial robots were used, and more than 2,000 new kinds of products began to be produced. Production was assimilated for new metal-processing equipment with numerical program control, installations for plasma application of powder coatings and laser processing of metals, series production was organized for sets of equipment for flexible automated metal-processing sections, and the output of micro and minicomputers with increased operational parameters was expanded. The number of kinds of items that earned the State Emblem of Quality for the first time increased from 44,000 in 1982 to 50,000 in 1984, and as a result of the higher technical level of production the relative release of workers increased from 450,000 in 1982 to 546,000 in 1985.

The utilization of certain kinds of equipment improved, including the most progressive and productive metal-cutting machines. Thus the coefficient of shift work of machine tools with numerical program control increased from 1.34 in 1983 to 1.44 in 1984.

Work for scientific organization of labor became more active during the second half of the 11th Five-Year Plan. As a result the relative savings of workers increased to 408,000 people in 1985 as compared to 332,000 in 1982. During 1983-1986 many branches of industry extensively developed work for certification and streamlining of work positions which makes it possible not only only to provide for balance between them and the available labor force as a result of eliminating outdated work positions, but also to raise the organizational and technical level of production and to create favorable working conditions in each position. During the course of certification and streamlining, for example, in the Ministry of Tractor and Agricultural Machine Building 20,000 obsolete workplaces were eliminated, and in the Ministry of Mineral Fertilizer Production 3,000 people were released.

This work is also being carried out successfully in industry of the Ukrainian SSR, where plant certification and streamlining of work positions is coordinated centrally and monitored by the republic council for the target comprehensive program entitled "labor." Enterprises investigated by the UkrSSR State Committee for Labor and Social Problems had streamlined 40,000 work positions, reduced 17,000 work positions, disassembled 16,400 units of equipment, saved 150,000 square meters of production space and released 24,500 workers, which made it possible to partially staff new enterprises and to increase the coefficient of shift work of equipment. In the near future the republic intends to modernize another 323,000 work positions and to eliminate 12,000.

Collective forms of organization and stimulation of labor were further developed under the 11th Five-Year Plan. The proportion of workers employed in brigades in which piece-rate earnings and bonuses are distributed taking into account the coefficient of labor participation increased from 41.7 percent in 1982 to 63.6 percent in 1985, and the proportion of workers in brigades that work under cost-accounting conditions--from 12.7 to 36.7 percent.

Technical and labor discipline at the enterprises improved. During 1983-1986 there were fewer losses of working time because of unexcused absences and failure to appear at work with the permission of the administration as well as full-shift and calculated intrashift time losses as compared to 1981-1982. A positive effect was also exerted by additional measures for influencing violators of discipline that were envisioned by the decree of the USSR Council of Ministers and the AUCCTU, "On Additional Measures for Strengthening Labor Discipline." Figures from a selective investigation of enterprises of a number of branches of industry showed that with the help of such a measure as reducing the regular vacation by the number of days of unexcused absences, of workers who had had them it was possible to compensate for an average of approximately 70 percent of the losses of working time.

Contractual commitments began to be fulfilled more precisely which had a favorable effect on the operation of associated enterprises.

The economic experiments which began to be conducted at the 11th Five-Year Plan also contributed to a considerable improvement of the work of labor collectives. In particular, in all five ministries that participated in the large-scale economic experiment, the growth rates of labor productivity increased and the entire increase in the volume of output was achieved as a result of increasing this indicator. The calculated losses of working time were reduced by 15-25 percent, labor turnover decreased, and norm-setting for labor improved. The growth rates of the average earnings were higher than those envisioned in the plan, but still there was a savings on the wage fund and the increase in labor productivity outstripped the increase in the average earnings.

All these results were achieved because of the expanding of economic rights and the strengthening of the economic interest in increasing the production of products in the necessary volumes and assortment, increasing labor productivity and reducing production costs.

The experiment conducted since 1984 in Novosibirsk Oblast in applying contract methods of management, in which collectives of 19 shops and 26 sections with an overall number of more than 4,000 workers participated, has produced positive results. The contracting collectives are granted extensive rights in organizing labor and production, determining the occupational composition and number of workers, distributing collective earnings, and establishing relations of mutual economic responsibility with associated subdivisions and the administrations of the enterprises.

The experience of their operation has demonstrated the high effectiveness of applying the brigade contract in large local labor collectives and primarily in sections. The production volume and labor productivity increased, the ratio between the rates of increase and labor productivity and wages in the utilization of all kinds of resources improved, and the number of workers decreased.

The economic experiment conducted on the Belorussian Railroad also contributes to considerably increasing the effectiveness of management activity.<sup>1</sup>



The positive changes that began in the second half of the 11th Five-Year Plan laid a basis for a radical restructuring of the country's entire economic mechanism which was directed toward solving the most important problem of the modern stage of development--essentially increasing labor productivity. At the same time, as was noted at the July (1986) Plenum of the CPSU Central Committee and the Sixth Session of the USSR Supreme Soviet of the 11th Convocation, at many industrial enterprises there are significant unutilized reserves for increasing labor productivity.

We have not managed to completely overcome the practice that has taken form over past years of primarily extensive realization of the investment policy whereby new equipment was directed mainly toward expanding the fleet of existing enterprises and the rates of removal of worn-out and outdated fixed capital decreased.

As a result, a considerable quantity of worn-out and outdated equipment was being used in industry, which had a negative effect on the effectiveness of production. For example, the productivity of metal-cutting machines in operation for more than 20 years is lower than new ones of the same kind by 25-30 percent and they require repair two to three times more frequently than is envisioned by the normatives.

The utilization of outdated fixed capital not only worsens the basic technical and economic indicators of production but also requires bringing in considerable material-technical and labor resources for maintaining it in working condition. Expenditures on capital repair of this capital amount to approximately 35 billion rubles a year, 6 million people are employed in this work and 25 percent of the machine tools are used for it.

Expanding the fleet of equipment while retaining the worn-out and obsolete part of it has caused an imbalance between the number of work positions and the number of workers. This in turn has caused an aggravation of such problems as turnover of personnel, labor discipline and so forth. At the present time in industry there are about 700,000 extra work positions. Calculations show that with these existing at the enterprises the volume of production decreases by 1.5 percent for each percentage point of extra work positions as compared to the normative level, and labor productivity increases by 0.7 percent.

In this connection serious attention should be given to the experience of textile enterprises of Ivanovo Oblast. During the past 10 years 49 factories and combines have been reconstructed there, half of the obsolete equipment has been replaced, and 60,000 machine tools and machines have been installed and another 126,000 have been modernized. As a result the output of products increased by 23.2 percent and labor productivity--by 40.2 percent. Moreover, the number of workers decreased by 27,400, including weavers--by 6,000. Additionally, during the course of the reconstruction a whole complex of large social measures was implemented. The application of manual labor was reduced considerably, the temperature and humidity conditions and lighting in the shops improved, and the provision of living premises for textile enterprises of the oblast doubled. All this made it possible in 10 years to reduce labor

turnover among textile workers from 17.7 to 12.8 percent and to reduce illness by 12 percent and industrial injuries by 26 percent.

Reducing the time periods for planning and construction of new enterprises (facilities) and improving their quality constitute an important reserve for increasing productivity. At the present time in the USSR national economy as a whole the average time period for the construction of facilities is 6.3 years and exceeds the normative (3.5 years) by a factor of 1.8. In recent years only one out of every three construction projects was completed on time. Calculations show that a reduction of the time periods for the duration of construction by one year would make it possible to obtain an additional 10-12 billion rubles in national income, and a reduction by a factor of 1.5-2 would produce more than 20 billion rubles, which is tantamount to saving the labor of about 3 million people.

As the experience of leading labor collective shows this acceleration is quite realistic. For example, in the Belorussian SSR was an increase in the overall volume of capital construction of 19 percent under the 11th Five-Year Plan the average duration of the construction of facilities decreased by a factor of 1.4 (from 5.3 to 3.8 years) and all startup capacities were put into operation and there was a considerable savings on labor and material resources.

In order to determine the specific areas for increasing the effectiveness of the utilization of capital investments and reducing the duration of the investment cycle, as well as increasing the role of reconstruction and technical reequiptment as the main area for updating existing productions, in our opinion, it would be expedient to develop a unionwide comprehensive target program for scientific and technical reequiptment of production in the leading branches of industry and to create as an experiment a number of large branches of regional cost accounting planning and construction associations that include planning, technological and construction organizations and that carry out the entire complex of work of the investment cycle for reconstruction and technical reequiptment of production.

The reduction of the time period for assimilating planned capacities for producing products and labor productivity at newly introduced enterprises is a significant reserve for increasing labor productivity in industry. As a result of complete utilization of the planned capacities of existing enterprises and facilities it would be possible to obtain an additional 15-16 billion rubles' worth of products annually, which is tantamount to saving the labor of more than 1 million people.

With an enterprising, creative approach to the matter and efficient organization of the work the time periods for assimilation can be considerably reduced. For example, under the past five-year plan the planned capacity was achieved 8 months ahead of the normative deadline at a complex for producing ethylene and propylene in the Salavatnefteorgsintez Association, and in 4.6 months instead of 6 according to the norm at the combined installation of the Mazheykskiy Petroleum-Processing Plant, the Kovrovskiy Excavator Plant and a number of other enterprises of the country.

In recent years in industry and its leading branches proportional expenditures for releasing one worker with the introduction of new technical equipment and technology have increased (under the 10th Five-Year Plan--by 33 percent, and under the 11th Five-Year Plan--by 44 percent). This is brought about to a considerable degree by the fact that the technical level and the quality of new kinds of machines and equipment do not always meet the requirements placed on them and their operational characteristics and technical and economic parameters do not correspond to the best domestic and foreign analogues.

Under the 11th Five-Year Plan only 22 percent of the models of new equipment included in the state plan contained principally new technical and technological solutions and labor productivity decreased by approximately 25 percent as a result of the inadequate reliability and durability of machines and equipment utilized in the national economy. Calculations show that if the conventional release of workers with a rise in the technical level of production or to increase in proportion to the increased expenditures then under the 11th Five-Year Plan in industry it would be possible annually to release about 1 million people instead of 0.5 million as was actually the case, and this would contribute to increasing labor productivity by another 1.5 percent per year.

A number of branches of industry have accumulated positive experience in producing progressive high-quality equipment. For example, the Ministry of Instrument Making, Tool Building and Automation Systems has developed a program for raising the technical level and improving the quality of products. As a result of its implementation at the end of the 11th Five-Year Plan the proportion of items of the highest quality category in the overall volume of commodity output from this ministry was 45.1 percent. Positive results were also achieved when an experiment in state acceptance of products was conducted in 1986 at 19 enterprises. Because of the improvement of technology and the replacement of fittings and control devices, the proportion of products released from these enterprises with the first presentation increased from 10-12 percent to 95 percent. Since 1987 state acceptance of products has been introduced at 1,500 industrial enterprises.

Another essential reserve for increasing labor productivity is acceleration of the rates of mechanization of manual labor. The proportion of manual labor is decreasing especially slowly in auxiliary production where more than half of all the workers in industry are employed, and the level of mechanization of their labor is lower by a factor of almost 2.2 as compared to the basic workers.

Industry also has positive experience in reducing the application of manual labor, for example, in the Ukrainian and Latvian SSRs. In the Ukraine during 1981-1985 during the course of the implementation of a complex of measures which are a constituent part of the republic target scientific program entitled "Labor," the number of workers in manual labor decreased by more than 1 million, and in the Latvian SSR at the end of the 11th Five-Year Plan as compared to 1980 they decreased by a factor of 2.

In order to accelerate the rates of reduction of manual labor it is necessary to utilize the experience of these republics more extensively. It is also

necessary to develop branch classifiers of kinds of work and labor-intensive manual operations (having coordinated them with the list of occupations whose labor is to be mechanized first) for better substantiated planning of assignments for reducing manual labor.

Considerable possibilities of accelerating the growth rates of labor productivity are linked to more complete utilization of the already accumulated production potential. In recent years in a number of branches the utilization of production capacities has deteriorated.

At the same time certain branches of industry have also achieved certain successes in increasing the effectiveness of the utilization of equipment. For example at machine-building enterprises of Leningrad all the modern highly productive equipment has been changed over to a complete two-shift work schedule. The coefficient of shift work of mechanized and automated lines was 1.9 and 2, respectively, casting equipment--1.77, and forge-press machines--2.78.

In order to improve the utilization of production capacities and equipment, in our opinion, it is necessary to introduce into planning practice the indicator of the normative production capacity that is based on the planned level of utilization of equipment. This will make it possible to evaluate the level of difficulty of the plans and economically stimulate an increase in coefficients of the utilization of capacities and the degree of loading of the equipment.

Incomplete utilization of the possibilities of the material and technical base for production has been brought about to a certain degree by shortcomings in the organization of production and labor. In particular, a significant but still poorly utilized reserve for increasing labor productivity is the development of interbranch specialized productions. At the present time out of every 100 machine-building enterprises the following produce products for their own needs: cast iron--17, cast steel--27, forged pieces--84 and stamped pieces--76. Bringing the volumes of centralized manufacture of items for general machine building application up to the optimal level--approximately 85 percent--will make it possible to increase labor productivity in machine building by a factor of 1.5

At the present time in a number of branches and regions measures have been earmarked for improving specialization and cooperation of production. For example, within the framework of the "Intensification-90" program (Leningrad) there is to be branch technological specialization, concentration of the manufacture of the same kinds of products, and the creation of centralized productions for repair services and warehouse bases. This will make it possible under the 12th Five-Year Plan to release and efficiently utilize more than 140,000 square meters of production space and a large quantity of equipment, to reduce a number of personnel by 10,000 and to obtain about 200 million rubles in annual savings. In a system of the machine tool and tool-building industry by 1990 it is intended to create interbranch and regional technological centers on the basis of flexible automated productions: for producing cogwheels in Tskov, reduction gears in Maykop, and hydraulic equipment in Lyudinov, which will provide for increasing labor productivity in the production of these items by a factor of 2-2.5.

A considerable increase in labor productivity can also be achieved as a result of further improvement of norm setting. During 1980-1985 in industry the proportion of piece-rate workers, whose labor is normed on the basis of branch and interbranch norms and normatives, increased from 69 to 76.5 percent, and the level of fulfillment of these norms--from 121 to 135 percent, which shows, of course, the low quality of many of them. At the same time industry has all the necessary prerequisites for improving the organization of norm setting for labor. For example, at the Magnitogorsk Metallurgical Combine 90 percent of the workers work according to technically substantiated norms and a considerable number of workers have been released as a result of revising outdated norms.

Improvement is also needed in the work for activating the human factor and utilizing more completely the potential capabilities of the society's main productive force. There are shortcomings in the planning and organization of work for training and increasing the qualifications of personnel and it is also necessary to raise the level of theoretical and practical training of workers and so forth. Plans for training and increasing the qualifications of personnel are poorly coordinated with plans for technical reequipment of production and increased labor productivity and the intervals for increasing the qualifications of each worker taking into account the growing demands placed on the level of their knowledge are not scientifically substantiated. At the present time the proportion of workers who have increased their qualifications amounts to an average of 15 percent annually, that is, on the whole in the national economy they go through training in courses for increasing qualifications (not including economic training) on an average of once every 6-7 years which, of course, under modern conditions is inadequate. The low level of qualifications of the labor force is one of the basic reasons for the poor utilization of equipment, the increased time periods for the assimilation of new capacities and the poor quality of products that are produced. Materials from special investigations show that at machine-building enterprises 70 percent of the defective products and 30 percent of the breakdowns of equipment take place because of the poor qualifications of the workers.

As was already noted, at the end of the 11th Five-Year Plan as a result of measures adopted by the party and government for increasing discipline and responsibility, raising the technical level of production, improving the organization and conditions for labor and improving political and educational work, there were reduced losses of working time in all branches of the national economy. But the amount of these is still great. The reason for this is violation of labor discipline and shortcomings in the organization of production. According to data of special investigations, full-day and intrashift losses of working time amount to an average of approximately 10-15 percent of the supply of working time (50-70 million per shift).

Calculations show that a reduction of losses of working time by only half would be tantamount to bringing approximately 8 million workers into public production. As practice shows, this task is quite feasible.

The experience in establishing collective responsibility for the condition of labor discipline at the Sevreskiy Pipe Plant imeni Merkulov is interesting. Here, in keeping with the contract included at the beginning of the year, the collectives of the brigade bear moral and material responsibility for the condition of discipline: if one of the brigade members has violated discipline the entire collective voluntarily forgoes obtaining a bonus for the production results. If during the course of the year the brigade has no violations of discipline, the bonus is increased by 10 percent. As a result, the losses of working time at the plant are one-20th of the average at industrial enterprises of Sverdlovsk Oblast in 1985. At the present time 200 enterprises of the Ural area that employ 190,000 people are operating according to this principle.

Statistical data show that a considerable proportion of the losses of working time arise because of poor organization of production and labor, a lack of initiative and enterprisingness, and inefficient planning of assignments. Approximately 40 percent of all the idle time of industrial workers between shifts is caused by the lack of coordination of capacities that have been introduced and the shortage of raw materials, processed materials, semimanufactured products and batching items. About one-third of the intrashift losses of working time in industry are brought about by malfunctioning and the need for frequent repair and adjustment of equipment, which are the result of the low level of organization and the poor quality of repair work.

The experience of the Leningrad Plant for Printing Machinery where a comprehensive system for reducing losses of working time was created at the beginning of the 1980's is worthy of attention. The enterprise created a coordinating council which checks on the provision of the necessary conditions for normal operation of all subdivisions. Under the council they have organized sectors for operational management of production processes, technical servicing, material and technical supply and control of labor discipline. Each brigade has a diary of the utilization of working time which notes all losses of working time without exception and indicates the reasons for them and their duration. An evaluation coefficient has been introduced for service, which is calculated according to points submitted by the brigade at the end of each month to the shop services. The latter give assignments, provide the brigades with materials and instruments, maintain equipment and working condition, and so forth. At the present time in the plant as a whole the coefficient is 0.71 with a maximum value being 1.

This system has become an effective means of fighting for reduction of all kinds of working time and further increasing labor productivity. Even in the first month of its functioning nonproductive expenditures of working time because of tardy and poor provision of work positions with instruments at the plant decreased by one-third, because of idle time of brigades by the fault of the foremen and technologists--by two-thirds, and because of tardy repair of equipment--by one-half.

An important condition for more complete utilization of the human factor, reduction of losses of working time and, on the basis of this, increased labor productivity is the reduction of labor turnover and the creation of stable

labor collectives. In recent years the turnover of personnel in industry has decreased somewhat, but nonetheless the level is still fairly high. Each year approximately 10 percent of the workers change work positions within the enterprise, 10-12 percent transfer to other enterprises, and approximately 5 percent go to other regions of the country. Throughout the course of a year a total of about 25 million out of the 129 million people employed in the national economy change their jobs. As the data from selective investigations show, a change of the place of work in industry causes an interruption in the labor activity of an average of up to 30 days, that is, the overall losses because of this factor correspond to the annual supply of working time of 650,000-700,000 people.

When he is first in his new workplace the labor productivity of the worker decreases and frequently additional expenditures of money are also needed for retraining if the specialty changes as well. For example, as materials from investigations show, during the first month in a new position the worker fulfills the output norms by an average of 70-75 percent, in the second month --by an average of 90 percent, and in the third month--by 95-97 percent, and only in the fourth month is the average level of fulfillment of norms reached.

One of the reasons for the excessive and not always justified turnover of labor is that at the present time the labor agencies do not devote enough attention to this problem and in one form or another they monitor no more than 15 percent of the labor transfers. As a result in the overall number of people hired for work by the enterprises themselves the number that have been released from other organizations comprises from 60 to 90 percent. They utilize poorly such a form of redistribution of personnel as the transfer of workers whereby the duration of the interruptions in work are less by a factor of 2.4 and changing occupations takes place less frequently by a factor of 1.4 than it does when personnel are hired directly by the enterprises.

As experience shows, extensive possibilities for improving management and regulation of the movement of labor resources are offered by the unified system for accounting for the movement of personnel that has been introduced in Novopolotsk and Daugavpils. Enterprises of these cities will not hire people who have not been sent by the labor placement service with the exception of a limited number. All information about individuals who have been discharged from enterprises and who have completed training or dropped out of training, and also workers who have come to the city for permanent residence is concentrated in the labor placement bureau, which makes it possible to enlist workers into public production more rapidly. In Daugavpils in the first quarter of 1985 when the system began to operate the number of citizens sent for labor placement increased by a factor of 1.8 as compared to the corresponding period of the preceding year and the placement of so-called rolling stones increased by a factor of 3. As a result at the enterprises of the city the rates of growth of labor productivity increased, labor turnover in the city industry decreased by 0.8 percent, labor collectives became more stable, labor discipline was strengthened, and the number of workers fired for absenteeism and other violations of labor discipline decreased by 15 percent.

Another important reason for labor turnover (in recent years it has become more and more significant, especially in remote and newly assimilated regions

of the country) is the low level of development of the social infrastructure. Thus according to data of a special sociological questionnaire 38.6 percent of the workers were released from enterprises of the Western Siberian Petroleum and Gas Complex because of the lack of convenient housing and 24.7 percent--because of the low level of domestic and cultural service. According to data of another investigation, 48-58 percent of the workers leave the northern regions of the country because of the lack of convenient housing.

In this connection attention should be given to the experience in organizing work for creating optimal domestic conditions at the Novopolotsk Plant for Protein and Vitamin Concentrates. The residential buildings, gardens, day nurseries and other social-cultural facilities were constructed there long before the introduction of the production facilities. This made it possible to attract workers ahead of time and send them for training to other related enterprises. After the completion of training, the equipment operators, machine operators and machine mechanics along with the installers participated in the startup and adjustment work and as a result the production capacities were assimilated in the shortest possible periods of time. A stable collective was formed at the enterprise and it is successfully fulfilling planned assignments.

In order to improve planning and accelerate the development of the social infrastructure it is necessary to have scientifically substantiated normatives for allotting money for the development of the nonproduction sphere and to determine the needs for housing, hospitals, general educational schools and children's institutions. When they are being developed it would be expedient to envision advantages for those enterprises that are carrying out reconstruction and technical reequipping of production.

Elements of this kind of planning are already being applied. The Belorussian SSR Gosplan has calculated the republic's need for additional hospital beds and polyclinics in connection with the construction and reconstruction of 72 enterprises. With an average family size of four people, in order to provide for the workers employed at these facilities for this kind of service it is necessary to introduce more than 300 new hospital beds and polyclinics to accommodate more than 700 visits per shift.

The national economy has accumulated a large production and economic potential and there are significant reserves for increasing labor productivity whose realization will make it possible to considerably increase the effectiveness of all public production. The restructuring of the economic mechanism that is being carried out at the present time, the changeover of enterprises and entire branches to principles of self-financing and self-supporting production, the introduction of new conditions for the payment of labor that stimulate a reduction of the number of personnel and the development of socialist enterprisingness and an economical attitude toward this work will contribute to solving this key problem.

#### FOOTNOTE

1. See: PLANOVOYE KHOZYAYSTVO No 8 1986.

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## LABOR

### DECREE ADOPTED ON HIGHER PAY FOR VUZ STAFFS

PM031043 Moscow PRAVDA in Russian 28 Mar 87 First Edition p 1

[Unattributed report: "In the CPSU Central Committee, the USSR Council of Ministers, and the AUCCTU"]

[Text] The CPSU Central Committee, USSR Council of Ministers, and AUCCTU have approved the decree "On Higher Wages for VUZ Staff."

The decree envisages the introduction of new, higher wage rates and official salaries for VUX staff: department chiefs, professors, associate professors, lecturers, assistants, and also leading workers, administrative and economic personnel, auxiliary teaching staff, specialists and employees, and members of production training and other training workshops, and methodology training and methodology offices. By agreement with trade union committees, VUZ leaders now have the right to:

Fix additional payments of up to 50 percent of the official salary (rate) for basic work for working people (with the exception of professors and lecturers) for combining professions (posts) and expanding the scope of their activity or increasing their work volume without restricting themselves to the lists of combinable professions (posts), and also additional payments for covering for an absent colleague in addition to performing their own regular duties. It is stated in this respect that no additional payment is to be made in the event of permanent assistants covering for their superiors when the latter is absent;

VUZ leaders also have the right to introduce additional payments of no more than 30 percent of the official salary for leaders of subdivisions, specialists, and employees (with the exception of professors and lecturers) for a high level of achievement in their work or for performing particularly important work--the additional payment to be made for the duration of this work and to be taken from economies in the wages fund of the corresponding category of working people, while not exceeding these economies. It is pointed out that these additional payments are to be made for no longer than 1 year, and if work indicators deteriorate they are to be curtailed or abolished altogether.

It is stipulated that the next rise in salary for professors and lecturers will be based on their certification, taking into consideration any increase in their qualifications and the results of their scientific and teaching activity, and will be dependent on their work experience. Lecturers who fail certification will undergo further certification after 1 year. The question of a post being filled by someone who achieved negative results in their second certification is to be decided by the VUZ council.

VUZ leaders are permitted to determine the number of permanent professors and lecturers holding more than one post, on the condition that this number does not exceed the set limit and is within the bounds of the wages fund.

It is stipulated that the official salaries of professors and lecturers, administrative and economic personnel, and auxiliary teaching staff are to be set without observing the average salaries on the official salary scale within the limits of the planned wages fund of the academic institution in question.

VUZ rectors now have the right to set additional payments--in agreement with trade union committees--for engineering and technical workers and auxiliary training personnel of no more than 10 percent of the basic wage rate (salary) for working in unhealthy conditions, and of no more than 15 percent for working in particularly unhealthy conditions. It is intended to introduce these additional payments on the basis of the results gained from certifying work places and make them effective for the duration of the person's employment under these conditions, as long as he is employed in the aforementioned work for no less than 50 percent of the work time for the period in question. With subsequent rationalization of work places or improvement in working conditions, these additional payments will be curtailed or abolished altogether.

It is stipulated that, from the beginning of 1988, VUZ's will have no set limits on the number of their administrative workers, nor will there be any maximum allocations for the maintenance of working people in the administrative apparatus. A standard wages fund will be introduced for leading workers, engineering and technical workers, and employees at VUZ's from 1 January 1988.

A bonus payment system is to be introduced in VUZ's for working people who achieve the highest results in improving the efficiency and quality of academic, educational, scientific research, and economic work. It is established that up to 2 percent of the planned wages fund may be used for this purpose. The bonus payment made to any working person must not exceed 40 percent of his official salary (rate) per month. The position with bonus payments is to be established by the leaders of academic institutions in agreement with trade union committees.

It is envisaged that economies in the wages fund (with the exception of allocations made to pay working people to work at newly commissioned projects) obtained by VUZ's during the year will not be liable to confiscation. The wages fund for subsequent years will not be reduced by the amount of the saving made in previous years.

It is established that the present decree will apply to academic institutions which enjoy VUZ status in terms of the wage levels of their staff--irrespective of the department to which they are subordinate, and also to institutes (faculties) for retraining and raising the qualifications of leading workers and national economic specialists.

It is laid down that, with the introduction of the new salaries and rates in accordance with this decree, other existing conditions pertaining to working people's pay and also the procedure for applying salaries (rates) will be retained (with the exception of the changes envisaged by this resolution). In those cases where the newly introduced salaries and rates (with allowance made for coefficients, increments, increases, additional payments, and bonuses) are lower than existing salaries and rates (with allowance made for coefficients, increments, increases, additional payments, and bonuses), it is intended to pay working people for the duration of their work in the institution in question in the same post or a higher one the corresponding difference in their wages (taking bonuses into account) if this drop in their wage is not the result of certification.

The new pay conditions provided for by this decree are to be introduced and implemented on a phased basis beginning 1 September 1987 through 1992.

Additional measures have been outlined to improve the pension system for professors and associate professors employed in VUZ's.

While receiving a pension, professors, doctors of sciences, and associate professors in VUZ's and institutes (faculties) for retraining cadres and raising their qualifications are permitted to teach in these academic institutions under the terms of a definite contract, with their payment not exceeding 25 percent of the salary they received in their established post or with their payment being calculated on an hourly basis but not exceeding R350 per month together with the pension.

Some of the additional resources necessary for introducing in accordance the new pay terms for working people under the resolution, representing no less than 3.5 percent of the planned wages fund of VUZ's and institutes (faculties) for retraining cadres and raising their qualifications, must be found by the councils of ministers in the union republics and by USSR ministries and departments by means of improving work organization and norm setting, dealing with the problem of over-staffing, increasing work efficiency, and implementing other measures aimed at making savings in the wages fund. VUZ leaders now have the right to use wages fund saving for raising working people's official salaries (rates) and paying them bonuses.

On the basis of the calculations made in the established procedure, the USSR Gosplan and the USSR Ministry of Finance are instructed to allocate wages fund supplement and make additional appropriations to union republic councils of ministers and USSR ministries and departments in connection with the introduction of the new payment conditions stipulated in the

resolution within the limits of the resources provided for in state plans for the USSR's economic and social development and the USSR state budgets.

The CPSU Central Committee, the USSR Council of Ministers, and the AUCCTU expressed confidence that higher school staffs will ensure improved quality in the training of specialists for the national economy and will make a worthy contribution to resolving the tasks set by the 27th CPSU Congress to speed up the country's socioeconomic development.

/9604

CSO: 1828/112

## EDUCATION

### STUDENT SUBSIDIES, CONDITIONS TO BE IMPROVED

PM030921 Moscow PRAVDA in Russian 29 Mar 87 First Edition pp 1, 2

[Unattributed report: "At the CPSU Central Committee, USSR Council of Ministers, AUCCTU, and Komsomol Central Committee"]

[Text] The CPSU Central Committee, USSR Council of Ministers, AUCCTU, and Komsomol Central Committee have adopted a decree "On Measures to Improve the Material, Housing, and Leisure Conditions of Postgraduates and Students in Higher and Secondary Specialized Teaching Establishments." The resolution is aimed at boosting the studies and creative activeness of postgraduates and students at higher and secondary specialized educational establishments and creating the necessary housing and consumer conditions for them.

As of 1 September 1987 it is planned to increase grants: by 50 percent to students at higher and secondary specialized educational establishments whose examination grades do not fall below excellent; and by 25 percent to those students whose results comprise only good and excellent grades; and to VUZ and scientific research institute postgraduates, fixing their monthly payments as follows:

VUZ graduates and persons who embark on postgraduate studies after three years of practical work will receive R110 during their first year of study, and R120 during their second and third years.

Persons who embark on postgraduate studies after more than three years of practical work will receive R130 in their first year of studies, R140 in their second year, and R150 in their third year; those whose average wage was R150 or above prior to their commencement of postgraduate studies will receive R150 for each year of study.

At the same time, it is planned to establish increased levels for scholarships:

R130 per month for VUZ students on V.I. Lenin and Karl Marx Scholarships; R90 per month for students at secondary specialist educational establishments on V.I. Lenin Scholarships; R110 and R100 per month for students at VUZ's set up by USSR Government and union republic council of ministers decisions respectively on scholarships named for outstanding party, state, public, scientific, technical, and cultural figures; and R180 per month for VUZ and

scientific research institute postgraduates on V.I. Lenin and Karl Marx Scholarships.

The Komsomol Central Committee proposal to establish increased Lenin Komsomol grants of R100 per month for VUZ students and R80 per month for secondary specialized educational establishment students was adopted; the grants are to be paid out of Komsomol Central Committee funds.

A special grant of R100 per month is to be established as of 1 September 1987 for students at higher and secondary specialized educational establishments who are heroes of the Soviet Union or heroes of socialist labor.

It is also planned to establish special grants for students at higher and secondary specialized educational establishments who are orphans, without parental care, or on full state welfare.

It is determined that the allocation of grants to students shall be decided by the leaders of educational establishments with the participation of student, trade union, and Komsomol organizations and teaching group collectives.

VUZ rectors and directors of secondary specialized educational establishments together with Komsomol and trade union organizations and student self-management organs are permitted to use up to 5 percent of the educational establishment's general grant fund to provide material assistance to students temporarily in need and to encourage high results in teaching, scientific, and design work and in socially useful labor. VUZ scientific councils are also allowed to pay students a personal grant of up to R90 for special successes in the study of certain disciplines and in scientific and technical creativity.

The USSR Gosplan and the USSR Ministry of Finance have been instructed in drawing up their annual plans and budget to provide as of 1991 for the allocation of funds to gradually provide grants in the 13th 5-Year Plan out of the state budget to all successful students at higher and secondary specialized educational establishments who are attending full-time courses away from work.

USSR ministries and departments and union republic councils of ministers are permitted--if the number of students at higher and secondary specialized educational establishments obtaining grants from the enterprises and organizations sending them to study increases--to spend the money in their grant fund on paying for the grants established by this resolution.

As of 1 September 1987 successful students sent to study by enterprises and organizations are to be paid grants out of the funds of the corresponding enterprises and organizations that are 30 percent higher than the state grant--and 50 percent higher if the recipients have more than three years of work behind them--but not more than R100 per month.

The resolution stipulates that measures are to be taken to improve the housing and leisure conditions of postgraduates and students and that hostel construction is to be accelerated in order to meet in full educational establishments' requirement for hostels by the year 2000. The USSR Gosstroy,

together with the USSR Ministry of Higher and Secondary Specialized Education, has been instructed to review the list and expand the range of current standard hostel designs taking account of present-day architectural and aesthetic demands. It is established that hostels will, in the future, be constructed comprehensively on the basis of new standard designs envisaging the necessary facilities for independent work, the organization of decent leisure, and consumer services for postgraduates and students. It is also planned to develop standard hostel designs for students with families.

In areas with a high concentration of educational establishments and on large student campuses [gorodki] local ispolkoms, ministries, and departments are instructed to make provision for the construction of cultural centers, stadiums and other sports installations, libraries, and consumer service enterprises, using shared funds for these purposes. The use of student hostel premises for purposes other than those for which they were originally intended is not to be permitted, and the removal of unauthorized individuals and organizations from student hostels is to be completed in the 12th 5-Year Plan.

Union republic councils of ministers, the USSR Ministry of Higher and Secondary Specialized Education, USSR ministries and departments with higher and secondary specialized educational establishments under their jurisdiction, the USSR Ministry of Trade, the USSR State Agroindustrial Committee, and the Tsentrosoyuz are instructed: to take measures to eradicate the existing serious shortcomings in the organization of catering for postgraduates and students; to continue working to create public catering combines and associations and trade enterprises at major VUZ's and VUZ centers, and to improve the forms and methods of services; to supply public catering enterprises attached to educational establishments with high-quality products providing a balanced diet; to introduce (primarily for medical reasons) one hot meal a day--a lunch with a discount of up to 50 percent. Sources for financing the aforesaid subsidized catering have been identified.

It is proposed to accelerate the development of the material and technical base of public catering enterprises at educational establishments by building new canteens and buffets and modernizing existing facilities, and to supply them with the necessary refrigeration and technological equipment, furniture, appliances, and crockery.

Union republic councils of ministers and local ispolkoms are instructed to improve the municipal and consumer services available to students by organizing, in particular, comprehensive consumer service reception centers, sewing and repair workshops, hairdressers, and centers selling consumer and sports equipment at educational establishments and hostels.

Bolstering postgraduates' and students' health, improving their hygiene, and asserting a healthy way of life constitute an important task for the USSR Ministry of Higher and Secondary Specialized Education, the USSR Ministry of Health, USSR ministries and departments with educational establishments under their jurisdiction, union republic councils of ministers, higher and secondary specialized educational establishments, and trade union organs. To that end it is planned to enhance the effectiveness of the work and strengthen the material and technical base of student medical centers, medical and sanitation

units at educational establishments, and preventive care institutions, to improve the quality of preventive checkups, to ensure that postgraduates and students have annual medical checkups, and to fully staff student medical centers with skilled medical personnel. It is planned to carry out measures to further improve the resort sanatorium facilities available to students.

With a view to involving all young students in physical fitness and sports the relevant ministries and departments are instructed to improve the quality and effectiveness of workouts, to set up non-training forms of physical fitness and health work among students, to create the necessary conditions for daily workouts and sports--particularly at hostels--and to take measures to develop the material and technical base of physical fitness and sport at educational establishments.

Union republic Komsomol central committees, Komsomol kraykoms and obkoms, and the USSR Ministry of Higher and Secondary Specialized Education are instructed to ensure active student participation in fulfilling measures to create the necessary cultural and consumer conditions and improve the organization of leisure and physical fitness work among students. Young students must be more extensively involved in strengthening the material base and building and fitting out sociocultural and consumer centers at higher and secondary specialized educational establishments. It is recommended that student construction detachments be sent each year to build these centers.

The AUCCTU proposal on allocating free tourist travel passes to VUZ's as an incentive for the winners of review competitions as well as funds for the acquisition of cultural and sports equipment was adopted.

The CPSU Central Committee, USSR Council of Ministers, AUCCTU, and Komsomol Central Committee expressed confidence that party, Soviet, and economic organs, social organizations, union republic councils of ministers, ministries, and departments will take all necessary measures to unconditionally fulfill the measures envisaged by this resolution for improving material, housing, and consumer conditions, medical services, and public catering for postgraduates and students at higher and secondary specialized educational establishments, seeing it as a most important avenue for the party's social policy.

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CSO: 1828/114



## MOTOR VEHICLES, HIGHWAYS

### VAZ VEHICLE PROBLEMS REVIEWED

Moscow ZA RULEM in Russian No 1, Jan 87 pp 2-3

[Editorial: The Consumer and the Branch"]

[Text] The country has entered the second year of the 12th Five-Year Plan-- a year on which its overall results on the road to accelerating and intensifying the entire economy and solving the most important social tasks will depend a great deal. Each quarter, statistics will inform all of us about how well things are going in the republics and branches, where there are positive changes and where rates are falling behind the requirements of the times. In summarizing this information with our own observations in the plant, at the construction site and on the kolkhoz where we work; and in the city or village where we live, we judge how successfully the restructuring and forward progress toward the goals, which have been outlined by party documents, are going.

Every day, the press and the television screen present to us a new machine, production line and a new microrayon. The motor vehicle, however, serves as almost the most popular and the most obvious among the immense list of industrial products -- because it is the focus of the achievements or, conversely, the weaknesses of dozens of very different industrial branches-- from metallurgy and chemistry to electronics. And because its evaluation is today to some degree or other within the reach of a very broad circle of people: you see, there are more than 13 million vehicles in personal use alone in the country -- this figure is known to all -- add to it the family members, who are acquainted with their owners, and motor vehicle transport workers. In general -- what is there to say -- the output of motor vehicle works and the Ministry of the Automotive Industry is indeed in public view! Very likely, new models are discussed in each home. It is completely possible to understand the people who call the editors of ZA RULEM all the time: "When will production of the front-wheel drive Zaporozhets begin?" Or "What are the characteristics of the Oka?".

However, there are often calls and letters of a different type. They concern the difficulties which make the cooperation of an individual with his motor vehicle a thorny one. First, however, a slight digression.

Only about 15 years ago when the now famous VAZ [Volga Motor Vehicle Works] was still preparing to expand the market for Zhigulis appreciably, automobile lovers somehow coped with operating it and with repairing their vehicles. For the most part, they were clever people who knew how to do a great deal themselves. Since that time, the pool of personal cars has grown immeasurably. Honor and praise to the automobile builders: They have made them an accessible transport method, and this accessibility is of no little importance under the conditions of the steadily growing prosperity of Soviet citizens. Honor and glory to VAZ, the first to create a system of plant automotive service -- a network of service stations and special automotive centers. We have talked a great deal and rightfully so about this as about other important achievements, at times -- it must be confessed -- passing over in silence the complaints about the technical level and quality in the manufacturing of the motor vehicles themselves and about the possibilities and quality of their servicing. Today, these problems have risen to their full height. The editorial mail of ZA RULEM especially testifies about this.

Let us cite an extract from one of the letters. Here is what D. Nikitina reports from Novgorod: "I purchased a VAZ-2108 in March 1986. The turn indicator relay broke down the very first day. They did not have any at the service station and did not know when they would arrive. The starter broke after a week. They did not have it at the service station also. Then the generator broke down. I waited a month -- another -- and wrote to the plant. Comrade Shcherbakov, the director of AvtoVAZ tekhnobsluzhivaniye's [VAZ Automotive Technical Services], reported that steps were being taken. However, there were no spare parts. Please help to restore my vehicle and trust in the plant or return my money to me."

Many other VAZ-2108 owners are not in better positions. The vehicle, which belongs to Yu. Smirnov -- an inhabitant of Magadan, has been standing idle since March 1986. When it had 1,000 kilometers logged, it began to leak oil from under the cylinder head covers, and the bracket for attaching the tension member of the lever to the front suspension broke. The service station refused to repair the vehicle because of a lack of spare parts.

These are only two examples. The VAZ workers themselves know about more defects with which the "eight" was born. This was discussed in a plant trade union conference. Though allied plants are guilty of a lot, the manufacturer of the vehicle bears responsibility to the consumer. You see, the Volga automobile builders were able to create respect abroad for the "eight" -- as the press in importing countries testifies -- not only in its operating characteristics but also in the quality of manufacturing and servicing.

Our domestic consumer, having run into defects, is forced to turn to a service station or a special automotive center. There, the situation is such that the plant's warranty service is not ready to eliminate factory defects -- not even the required spare parts are available.

Having become concerned about the situation that has taken shape, the editors sent their employee to VAZ. There, they assured him that a system had been developed which would insure (with rare special exceptions) the carrying out

of even the most complicated warranty repairs within a time frame that was stipulated at no more than two weeks. This was reported in the May 1986 edition of ZA RULEM. Alas, complaints continue to arrive -- and not in a small number. We understand that each new vehicle can have "childhood diseases", but the factory should have coped with them long ago.

Meanwhile, the complaints about VAZ-2108 defects were no surprise to the plant workers -- not to mention those about completion components. In particular, there was the promised rear window washer (it is extremely necessary as is a protective bottom plate under the motor compartment)? Readers are asking this question all the time, having found out about it from a journal article prepared by workers in the plant's UGK [probably main design administration]. Is this case not similar to the violation in the Ministry of the Automotive Industry system about which a recent CPSU Central Committee decree talked?

The letters, which concern the new VAZ vehicle, were not selected without purpose. They are indicative in many respects -- and not only as the freshest example.

The automobile lover has become more demanding and talks today with a loud voice about something which, perhaps, he would have reconciled himself to yesterday. This is his right. It is clearly stated in party documents that the consumer, and not the producer, evaluates an item. The owner of an automobile wants to use this right of his when he evaluates its quality -- the more so since he has paid out quite a bit of money: An automobile is one of the most expensive items of durable goods.

The facts and the evidence and evaluations of consumers force us to remind the automobile builders about the serious work that faces them in implementing the CPSU Central Committee and USSR Council of Ministers decree "On Measures To Radically Improve Product Quality". The state acceptance of products, which was introduced on 1 January, should become an effective measure in this task.

Ministry of the Automotive Industry associations and enterprises have received a powerful economic lever in their hand -- the CPSU Central Committee Politburo has approved the government's proposals to transfer them in 1987 to complete cost accounting and self-financing.

It is important that they do not use their new and significantly expanded right only to improve their economic activity and intra-plant and intra-branch economies; it is important that motorists noticeably experience this in the final analysis.

We have now approached service questions, whose quality is no less important for the owner of a vehicle than the quality of the vehicle itself -- you see, his way of life is tied to it for many years and for many tens of thousands of kilometers.

To begin, we will make an uncomplicated calculation. It is generally known that VAZ vehicles now form almost half of the pool of individual automobiles. This foreordains their servicing only by service stations. The number of bays in the service stations and special automotive centers of the Volga Motor Vehicle Works grew from 4,600 to 5,600 during the 11th Five-Year Plan. It is planned to add another thousand plus bays during the present five-year plan. However, are these prospects so cheerful?

In November 1980, the pool of individual-use VAZ vehicles was approximately 3.5 million in the country. This corresponded to an annual load of 7,600 machines for one bay in the service stations and special automotive centers. In January 1985, the pool of Zhiguli and Niva reached 5.7 million, and there were more than 10,000 vehicles for one bay. These scissors will become even larger during the present five-year plan. This is the objective reality and one cannot count on better. The trouble lies not only in the quantitative deficit per se. You see, it also creates a deficit in the quality of services when the service workers feel themselves to be the complete masters of the situation and become un-understanding -- service for the automobile lover or the automobile lover for service.

Where is the way out?

First of all, it is necessary to return to the question of quality in the manufacturing of the vehicle -- all of its assemblies, units and items. The service networks would not be so loaded if there were no production flaws. Let us recall the notorious story of the Zhiguli camshafts or the difficult initial period after the mastery of the VAZ-2105. There is one reserve. It is in the hands of the automobile builders themselves.

At the time, ZA RULEM published an article by D. Velikanov, correspondent member of the USSR Academy of Sciences, who cited calculations which showed what the motor service network would not be able to cope completely in the future with servicing and repairing personal vehicles, especially because of the impossibility of attracting sufficient manpower resources into this branch. He suggested organizing self-service bays under the observation of qualified foremen. The editors did not receive any comments from interested organizations.

At the same time, voices were heard saying that automotive service departmental disconnections were interfering with the task. In this connection, we would like to cite one figure: the Ministry of the Automotive Industry today controls 62 percent of the capacities for the technical servicing and repairing of individual-use automobiles; however, even its service system is suffering from the same ailment that others are.

Qualified motorists are able to do quite a bit with their own hands, without resorting to the services of the service area. The journal's mail, which is published under the rubrics "Club", "Automobile Lover" and "Council of the Experienced", testifies to this. Many -- very many -- are doing and are capable of doing everything or almost everything that is necessary during operation -- only give them the spare parts. But there are not enough of them. This shortage is no less painful for vehicle owners than the service suffering.

Yes, the spare parts problem has acquired a chronic nature. How much do they talk about it.

What is the trouble? Some maintain that the trouble lies in the planning. Others maintain that it is in the distribution system under which the service stations and special automotive centers are in a certain sense monopolists who leave too little to trade. It is evident that there is truth in all of these statements. However, we think that it is necessary to dwell on something else.

Here, we are entering the area of automobile building strategy. They say that the life of an automobile is designed for six years and that it begins to grind out spare parts like a mill after this -- where you never have enough. Where does this figure come from? They say -- from world practices. But, what if we turn to our actual experiences. Are there many vehicles that are abandoned after these six years? It is a small computation. The average annual number of kilometers logged is now 10,000-12,000. It turns out that there are more than 10 years before the so-called kilometers-logged life ends. Many people do not think of parting with their machine for 15 years. This is the position of the consumer and, clearly, one must consider it.

The second strategic question concerns the type, production structure and pool of individual use automobiles.

The first Zaporezhets did not find receivers in the form of new models in the first group of subcompact (microliter) vehicles. But, judging from the editorial mail, the requirements for these is great. The journal has spoken out three times on this matter.

However, we are preparing to produce the Oka concerning which discussions among automobile lovers have not ceased for a long time. Each time that it is necessary to report on the planned annual run -- 50,000 copies -- to them, you hear a gasp of disappointment. In response to one of the articles, the editors received confirmation of that figure from the Ministry of the Automotive Industry along with the quoting of world practices (let us point out that this "evokes doubt, judging from foreign publications."

It seems, however, that the trouble here is not in world practices. It is understandable that the production capacities and equipment, which have been built up over the course of many years, do not create unlimited capabilities -- capital investments are equally not as unlimited. However, the consumer should know how the more remote prospects will look.

During the present five-year plan, automobile builders are offering automobile lovers three popular front-wheel drive models immediately -- true, with the partial maintenance on the production line of former models that are well known to drivers. But where are the popular all-wheel drive vehicles that are so desired in the village? To put it mildly, there are not enough very good roads there. Another question flows from this: Is the enthusiasm which is probably evoked by the trends in world automobile building,

not too strong? Are there too few all-wheel drive vehicles for our actual road network? If one has in mind the Niva, it suits a fisherman and a mushroom gatherer more readily based on its cargo-carrying capacity than the village inhabitant -- such are the readers comments.

It goes without saying that it is necessary to use foreign experience. Today, it is difficult for equipment to be confined to home markets for any reason. The world's automobile industry has accumulated rich experience and is one of the dynamic branches in a technical respect. Take the use of plastic, the invasion of electronics and microprocessors into an automobile, and the development of vehicles that require minimum servicing during operation (perhaps, we need such vehicles under the conditions of the service shortage?).

It is necessary, however, to remember constantly the danger that imitation presents -- the more so when it contradicts the interests of the consumer. Here, it is possible to learn from firms that react sensitively at the junction of the market.

Our native Soviet motor vehicle industry, which has taken shape, is a mature branch that is capable of solving large-scale tasks. We have a right to count on it achieving a great deal with the help of machine building, chemistry, electronics, and other types of production. That is why we think it is appropriate to raise difficult questions here -- of course without intending to preach. This, as they say, is information for reflection.

It has an important base -- letters from people who use the products of the motor vehicle industry every day. The editors of ZA RULEM receive approximately 50,000 of them a year. We know that work to strengthen the bond with the consumer is being conducted in a number of branch enterprises. However, it seems that the journal has a larger audience and quite a few opportunities for expanding the feedback between the automobile builders and the automobile lovers. The editors are offering these capabilities for the benefit of the task.

Definite steps have already been taken. In particular, the letters, which were quoted above, were put into a detailed survey that was sent to the USSR minister of the automotive industry and to the general director of the AvtoVAZ association. This is one form of cooperation. Another -- no less effective and public -- is regular publication in the journal itself. That is why we will from now on eagerly give the floor to plant, scientific research institute and Ministry of the Automotive Industry workers for articles on our pages. A frank and interesting consumer-manufacturer dialogue will be in the interest of our common task.

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CSO: 1829/169

## RAIL SYSTEMS

### OFFICIAL DETAILS NEW RAILWAYS ECONOMIC PROCEDURES

Moscow GUDOK in Russian 22 Jan 87 p 2

[Article by V. Pryadko, deputy chief of the Ministry of Railways' Accounting and Finance Administration, under the heading "To Assist Those Studying the New Management Methods": "Branch On Track for Autonomous Financing"; first paragraph is GUDOK introduction]

[Text] Moscow--As we know, all railroads, divisions and main operating enterprises were switched to new management conditions as of the start of this year. The goal is to meet the freight and passenger hauling requirements of the national economy and the populace promptly, fully and well, by improving the operating efficiency of transport on the basis of accelerated introduction of the achievements of scientific-technical progress. To do this, hauling planning and organization are being improved, the rights of railroader collectives are being broadened, and their economic responsibility for the end results of their own labor is being increased.

Operation under the new conditions is the branch transition stage from 1988 until full cost accounting [khozyaystvenyy raschet] and self-financing are achieved. The new management mechanism must be up and running this five-year plan. It is a tight schedule. The current five-year plan will be transitional and, as a consequence, very taut. The Dnepr and Southwestern systems have already shown the way in this transition. On the whole, these systems have passed the test, with improved management results. This means we need to focus our will and enthusiasm on organizing this work throughout the network, to take the mistakes and omissions into account and correct them.

It's easy to see that administrative "fiat" and "adjustment" methods of leadership are being replaced by more economic ones under the new management conditions. Precise, stable, long-term normatives are being introduced, and there are increased opportunities for maneuvering and influencing economic incentives for hauling efficiency. What is innovative about these incentives?

#### Normatives and Funds

Materials incentives fund (FMP) size is directly dependent on the rate of growth in freight hauling volume. Branch-wide, the 1987 FMP was calculated from the total base fund (in the 1985 plan). The fund increment is regulated

by normative, increasing by three percent for each percentage point of total increase in hauling volume (freight shipped out), in tons. That volume is calculated as a running total.

The ministry has been authorized to differentiate the normative for the various systems. When preparing them, consideration is given to the working conditions and contributions of the collectives of each mainline to the end result of branch operation.

It is important to emphasize that the actual FMP incentive paid will now depend largely on the work results of the system collectives, on their ability to do their work better, faster and with a better-quality product. Strict implementation of the hauling plan in terms of products mix is naturally also of exceptional importance. If the overall freight shipment plan (in tons) and the quarterly plans (in products mix) are met, the system's material incentives fund is increased by 15 percent per quarter. A significant increase. And the total fund can be quite large.

What if the hauling products-mix standard is not met? The system then loses its right to the 15-percent increase. Moreover, the FMP is reduced by three percent for each percentage point of nonfulfillment of the established product mix, but not to exceed 15 percent.

As we see, the enterprises themselves will be punished economically, and quite appreciably, for failing to meet the products-mix standard. If nonfulfillment is five percent, for example, the system's fund will be 30 percent less than had it met the products-mix standard.

This material interest will prompt people to be more responsible in the use of material, labor and financial resources and will force them to combat more resolutely any evidence of mismanagement and extravagance in any hauling sector.

There has been a persistent need for a mechanism to hold down expenses, and so the role of hauling net cost has naturally been increased.

This is now among the most important indicators. It has a significant influence on generating material incentives funds. FMP is increased by five percent for each percentage point of reduction in hauling net cost, and the fund is reduced correspondingly when hauling expenditures increase.

Carrying out the five-year plan for hauling passengers will have a substantial impact on incentives funds. If this plan is exceeded, the fund is increased by two percent for each percentage point of overfulfillment. If it is not, the reverse holds. This procedure will be extended first to systems with significant passenger traffic.

The fund for social-cultural measures and housing construction will be generated in a fundamentally different way under the new conditions. It is no longer generated in percentages of the FMP, but is directly dependent on labor productivity growth rates. The better the collectives work, the greater the deductions for social needs and material goods. The deduction rates are



significantly higher than in the base period. Superior organizations (Ministry of Railways, systems, divisions) are allowed to differentiate them within the constraints of the total fund amount.

#### Plan and Profit

Orienting collectives towards obtaining a profit and the subsequent changeover to self-financing will demand improvement in planning at all levels of management. The important thing is that profit, and consequently the incentives funds created from it, will be earned. The plans must therefore naturally be taut, not ones which can be met effortlessly. All economic incentives funds may be deducted only from profit remaining at the disposal of the systems and divisions.

This does not signify that the total funds earned by an enterprise are not guaranteed. If an enterprise generates funds above the plan, this excess must be made up using the division's centralized fund. The exact same provision will be in effect in the system itself with respect to the divisions.

Under these conditions, one would expect the attitude towards truly taut, rather than sham, plans in the systems, divisions and enterprises to be as strict and demanding as possible. In fact, it will not be possible to spend what hasn't been earned. Therefore, all questions of improving production and financial-economic activity must be resolved as a complex under the new management conditions. There must be more concern for retooling the branch. It is important to increase work volume and expand services.

#### Self-Reliance, Responsibility

Enterprise self-reliance is naturally being increased under the new conditions. The collectives are being granted great latitude in using incentives funds. In particular, a portion of the material incentives, social, cultural, personal-services and production development funds may be transferred to supplier enterprises or to construction and scientific research organizations. The purpose of this is to stimulate the resolution of complicated technical problems, to accelerate the retooling and construction of nonproduction facilities when that is not within the power of a single enterprise.

Enterprises also have the right to transfer, on a proportional participation basis, social and cultural funds to local Soviets of People's Deputies and other organizations for the construction primarily of housing, with the concurrence of the labor collectives.

These rights to the use of these funds also impose a special responsibility on enterprise leaders and trade-union committees. It is necessary that all economic incentives funds be used as efficiently as possible, in the interests of production and the social development of the collectives. Conscientious labor must be encouraged in a worthy manner.

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CSO: 1829/128

## RAIL SYSTEMS

### OFFICIALS ON BELORUSSIAN RAILROAD EXPERIMENT IMPLEMENTATION

Moscow GUDOK in Russian 13 Jan 87 p 2

[Roundtable discussion report prepared by Ye. Khrakovskiy and A. Kaprov under the heading "Experience in Introducing the Belorussian Method: Specialists from the Ministry of Railways and the Belorussian and Moscow Systems Answer Journalists' Questions"; materials within slantlines boldfaced in source]

[Text] We continue to say and write "the Belorussian experiment," but properly speaking, it has ceased to be an experiment. This fundamentally new and effective method of management, highly rated by the 27th Party Congress and the June (1986) CPSU Central Committee Plenum, exists and is finding increasingly broad application in transport and throughout the national economy. It is a method which permits quick improvement in labor productivity, more work with considerably fewer personnel, and greater labor-collective material interest.

The Moscow organization of the USSR Union of Journalists has created a new creative section of journalists writing on transport issues. Right at the end of last year, it held its first meeting in the editorial offices of GUDOK. Workers from the central and Moscow newspapers met with leaders and specialists of the MPS [Ministry of Railways] and the Moscow and Belorussian systems. The topic of conversation was "Pluses and Minuses of Experience in Introducing the Belorussian Method."

Answering the journalists' questions were first deputy minister of railways Albert Nikolayevich Bevzenko, deputy minister of railways and MPS chief traffic safety inspector Sergey Ivanovich Solovyev, MPS personnel main administration chief Yevgeniy Mikhaylovich Proshchenkov, MPS passenger main administration chief Boris Ivanovich Torba, Belorussian system deputy chief Vasiliy Pavlovich Kozlov, Moscow system chief economist Ilya Davydovich Myshkovskiy, and Rem Veniaminovich Lobovkin, an electric locomotive engineer from Lobnya Depot and well-known transport innovator. Also taking part in the discussion were Vladimir Semenovich Myshenkov, secretary of the trade union of rail transport and transport construction workers, and Vladimir Timoveyevich Charykov, MPS labor and wages administration chief.

The discussion concerned the main components of the Belorussian method, what reserves have been brought into play by it, the end results achieved, and the

difficulties encountered. Now that the entire rail network has been armed with the Belorussian experience, we feel the discussion might be of interest to a broad range of newspaper readers. The editors therefore decided to transcribe it and to supplement it with letters from railroaders.

#### The Collective Decides

A.N. Bevzenko: "The essence of the Belorussian experiment is simple. Improved technology and organization free people for other jobs. The funds saved are directed into increasing the wages of those who have taken on more work. If work volume increases with smaller staffs, the additional savings obtained as a result also goes to material incentives for the collective. In this regard, labor productivity must naturally increase faster than wages.

"If you think about it, this method involves a qualitative advance in labor productivity, in increasing people's well-being as a result of skillful use of the opportunities which have recently evolved or, as they say, quantitative factors. In many places, these opportunities went unused due to the worship of obsolete normatives or to simple mental laziness.

"The decisive policy of restructuring adopted by the party has forced a new look at this work. Let me emphasize once again that the reference is not to a mechanical reduction in staff size but to a well thought-out, detailed releasing of people based on actualization of the opportunities accumulated as a result of the introduction of new equipment and progressive technologies, as well as the use of reserves, which has enabled us to bring into play improvement in production and labor organization.

"Increased average train weight, improved equipment reliability and the current extensive introduction of modern automatic equipment have also provided an opportunity to handle the growing volume of work with smaller staffs. New equipment has been received in many areas, but it has been operated and maintained in the old way, so opportunities for reducing staff size have not been used.

"People often ask why the experiment began in the Belorussian system. We do not hide the fact that this system was chosen precisely because conditions were most favorable to such restructuring in it. After all, it was very important that this crucial operation not be discredited. Moreover, the concept was actively supported both in the Belorussian Communist Party Central Committee and in the republic Council of Ministers. Territorial agencies were very helpful in finding jobs for the people released. The experiment's success was also aided by comprehensive practical support on the part of the USSR State Committee for Labor and Social Issues, AUCCTU and the Gosbank. The problems which arose were solved quickly, without procrastination.

"And there were numerous problems. Careful thought had to be given to reducing staff size in such a way that there were no adverse impacts on traffic safety, labor protection or equipment reliability. Thousands of standards had to be reworked. Most importantly, people had to be listened to carefully and treated humanely. Without careful consideration of the human

factor, the experiment would have been doomed to failure. The people in the Belorussian system understood that well.

"How were things set up? Initially, there was a competent evaluation of opportunities for reducing labor intensiveness in each job. The number of people who could be released was determined for each brigade, shift, shop and column. The calculations were made by technologists, economists, labor and wage specialists, personnel staffs and production commanders. At the same time, thought was given to placing those released in other jobs. The calculations and preliminary plans were then taken to the collectives and everything was discussed in detail. Only the collectives themselves decided to switch to operating in the new way. The principle of voluntarism was mandatory here.

"The collective itself must understand the essence of restructuring and be an ally in implementing it. Otherwise, a good cause could be perverted and besmirched. And experience has proven convincingly that things have gone well when the principles of the Belorussian method have been strictly adhered to. All the negative phenomena encountered have been a result of departures from those principles, with consequent violations of social justice.

Question: "Still, is the assignment on how many people to cut handed down from above, or is it the collective, brigade, shift or shop that must make the decision?

I.D. Myshkovskiy: "From above or from below? That's not the way the question should be put. Specialists make the calculations. They provide a reference point as to how many people should be cut and by how much the wages of those remaining should be raised. Let me emphasize that it is not an assignment, but a point of reference. Then the calculating from below begins. For example, the brigade is told: you know your own workers best, so you decide just who to let go. The final decision rests solely with the collective.

Question: "But who sets the staff-reduction quota, the divisions or the services?

V.P. Kozlov: "In the Belorussian system, there were parallel calculations for both the divisions and the services.

I.D. Myzhkovskiy: "We gave the reference figures to the division chief, as administrator. In this instance, the services were a kind of consultative body. They provided advice on which occupations to cut and which could not be cut. Unfortunately, the leaders of a number of services took obviously localistic stands. A service chief came to me and said, 'Cut whomever you like, but don't touch the people on my line'.

A.N. Bevzenko: "I would like to emphasize that we developed the calculation methods and sent them to the systems. Five specialists -- an economist, a laborer, a financial expert, a personnel administrator and a trade-union worker -- were sent from each road to the Belorussian system so that people could learn the system first hand. They they were all assembled in Novosibirsk and everything that was not understood was cleared up. Moreover,

an MPS central commission sent its own representatives, main administration specialists, out into the field to check on observance of the terms of the experiment, on whether traffic safety and labor protection requirements were being met, on whether staff cuts were being made to the detriment of equipment maintenance and repair quality or passenger services. Of course, it didn't all go without a hitch.

Question: "The letters to the editor testify to those 'hitches'. A number of enterprises have sent signals that there has been practically no consultation with the collective, that people's opinions haven't been taken into account. We even published an essay entitled 'The Bosses' Opinion Wins'. What's your judgement of these 'hitches'?"

A.N. Bevzenko: "As you know, we tried not to deceive anyone in the Belorussian system about the restructuring and did everything we could to ensure that people moved to other jobs did not lose out in terms of wages or benefits. We released 13,000 people, and there were only 26 complaints. Things were somewhat worse later on, in the other 10 systems. There were 830 complaints, an average of 83 per system, or more than three times the number in the Belorussian system. Those are the figures. In the final analysis, any injury to anyone, much less one undeserved, is impermissible.

#### First Results

Question: "What are the fruits of the Belorussian method so far?"

A.N. Bevzenko: "Some 125,000 people have been released. Labor productivity in the Belorussian system itself has increased by 24 percent over two years (as against the base year, 1983) and wages have increased by 22 percent. In the systems which followed its example, productivity has thus far been increased by 12 percent (over 1985), as against 7.8 percent network-wide. It is still too early to discuss the increase in wages in those systems. After all, the increase went into effect on 1 July for workers and on 1 October for others. Based on preliminary estimates from the experiment, the Belorussian method will enable transport as a whole to increase labor productivity by 15 percent and wages by 13 percent.

Question: "You said 125,000 people were released. Where are these people now?"

A.N. Bevzenko: "About 76,000 people are working at enterprises of other branches of the national economy, nearly 6,000 have been transferred to road-building construction organizations, and 43,000 people of retirement age are in well-earned retirement.

Question: "What else has the Belorussian method yielded besides steep labor productivity growth and higher wages?"

A.N. Bevzenko: "First of all, worker skill has improved, which is a factor very important to work quality. After all, those remaining on the job are generally those who are better qualified, people who are more competent, more experienced and more skillful. Discipline has improved sharply. The

following figures are typical. The number of absences among those working in the new way in our system last year decreased by 45 percent, as against 20 percent for the network as a whole. The amount of overtime decreased by 20 percent, given a network average of only 11 percent. The number of time-on, time-off schedule changes for locomotive crews in systems using the Belorussian method was down 60 percent, given a network average of 24 percent. The picture is practically the same for all the basic quality and economic indicators. All that is convincing proof of the utility of the Belorussian method.

### Social Justice, the Most Important Thing

Question: "The Shchekino method has been in use for many years now. Its main weakness has been that enterprises operating intensively often turned out to be worse off, because they had already brought many reserves into play, while those who had hoarded their reserves turned out to be best off. Won't the same thing happen in those systems now changing over to the new system? After all, many of them are operating under more difficult conditions than is the Belorussian system. In the Tselina system for example, power engineers and communications workers are indignant because they're already working with the same staff levels the Belorussian experiment creates.

A.N. Bevzenko: "A legitimate question. We are not closing our eyes to the fact that workforce availability and working conditions differ from system to system. And the Belorussian system did, in fact, have the best conditions.

V.P. Kozlov: "People say you don't argue with the bosses. But I say there haven't been any special free-and-easy terms here at all. To the contrary. We were the first and had to get the job done. The other systems are following in our footsteps.

A.N. Bevzenko: "I agree with Comrade Kozlov. It's undoubtedly hard for the trail-blazers. We also chose the Belorussian system because its people are reliable, because it had commanders and specialists we could depend on. Still, we don't have the right to disregard the features of each system. The MPS carefully considered and evaluated their ability to carry out all the basic measures. The numbers didn't always add up. We had to help in some places. How? For instance, deliveries of track-laying machinery will quadruple this five-year plan and it will be sent first of all to those places having a hard time. The same is true of other equipment. Also, the systems in these difficult situations aren't sitting on their hands, but are seeking out reserves. For example, The West Siberian has proposed increasing electric locomotive operating time between maintenance. It has created an outstanding maintenance center where locomotive service life is extended almost as well as at the factories.

"With regard to the power engineers and communications workers in the Tselina system, you'd have to find out the specifics locally.

Question: "And in fact, things don't seem so rosy locally as you're telling us today. This is from a letter workers at the Verkhnye-Baskunchakskiy signals and communications section sent the editors. /"All the railroad

enterprises in our settlement are being switched to the Belorussian method. About 400 people, total, will be cut. Where will they all find jobs? Why do communications engineers and STsB [signalization, centralization and block system] electricians have to go to work delivering telegrams and mail or as janitors?"/

A.N. Bevzenko: "Clearly, things weren't properly thought through in Baskunchak; there wasn't proper concern for people. But after all, much also needs to be built here in the production sphere, and especially in the social sphere. It would probably be useful to create a construction organization and send some of the people released to it. In general, there should be particular concern for purely railroad settlements. In the Belorussian system, people released in such areas were sent to the kolkhozes and sovkhoses, which gladly took the railroaders on. The other systems have perhaps not thought of that.

Question: "And what can you tell us about a letter like this one the editors received from Vasiliy Mikhaylovich Nudgin in Mineralnyye Vody?" /"I recently read in GUDOK that consist men switched to the Belorussian method will have their wages increased by 32 rubles. But the reverse has been true for those of us at the station. What to believe, the newspaper or what we see? See for yourself: enclosed are the calculation forms. Look them over and you'll see what frame of mind we're in."/

"Those of us in the editorial office looked and were convinced that the consist men had good cause to feel hurt. What do you say about that, Albert Nikolayevich?

A.N. Bevzenko: "This particular case needs to be looked into locally, you understand. But in general, I will be honest, there have been problems with the consist men, problems we've had to correct. Consist man is a very important occupation. He works on the tracks, under difficult conditions, and at a fast pace. And sometimes he must be alert to danger. Ways must be found to ensure that consist men are not hurt by the switch to the Belorussian method. Why are consist men and workers in a number of other occupations sometimes hurt? Workloads are reduced, which affects wages. We try to find ways of setting things straight as soon as unpleasant situations like this arise.

"Some people are surprised that the bonus rate falls when switching to the new way of working. But after all, the total bonus amount remains as before, and wages are higher. So the bonus is naturally a smaller percentage of the wage.

V.P. Kozlov: "Initially, we also had problems with the consist men in the Belorussian system. The total bonus amount remained for workers in this occupation, but it was a smaller percentage of a higher wage. Were this not the case, wage growth would have outstripped labor productivity growth. We kept our fingers on the pulse of this problem and quickly corrected these situations by adjusting bonuses.

"In general, we consider the Belorussian experiment a vital, dynamic process and are constantly following the situation, intervening, and sometimes making adjustments, changes and improvements.

Question: "People write us that many car inspectors have been released in the Moscow system. It isn't clear why, because those railroaders haven't been armed with new equipment. Moreover, the trains are now heavier and longer.

A.N. Bevzenko: "Let's look at the broader perspective. Over the past two years, the number of cars with roller bearings has been increased by 50 percent. Approximately two-thirds of our fleet, and 85 percent of our gondola cars (which are the types used most intensively), now use such bearings. The calculated reliability of a roller-bearing journal box is 30 times higher than that of a plain-bearing journal box. And how many PONAB's [journal box overheating detectors] have been installed?! They no longer have to walk the consists and feel the journal boxes. That's one example of how technical progress transforms people's labor and makes it easier, permitting smaller staffs and better-quality work.

Question: "Some of our readers think engineers, specialists and employees are receiving unjustifiably higher wage increases than workers; in addition, staff size is being reduced very modestly. This is from senior stores clerk V.P. Merzhoyevaya in Pavlodar: /"We work outside, combining occupations, working as hard as we can, and our wage increase will be minimal. But those sitting in offices and not combining occupations will get significant increases."/

That's roughly the same point of view of N.I. Andretsov, an electrician at the Sasovo power section. Workers at the Tuapse signalling and communications section wrote about the disproportionate reduction in worker and engineer staffs: /"We raised the question earlier about reducing administrative staff size. But now we have three chiefs for one subordinate. And everyone goes along with it."/

A.N. Bevzenko: "It seems to me that social justice has been restored, not violated, in specialist salaries. The Belorussian method has helped us increase the prestige of specialists, especially mid-level ones. Since the 1960's, there has been very gross distortion in evaluation of the labor of brigade leaders, foremen and technicians. A foreman must be an educator, tutor and work organizer for those under him. So many things he's responsible for! And, given these extensive functions, he receives almost half what any machinist gets. It got to the point where no one wanted to be a foreman. Technicians and engineers were in about the same situation. So we tried to eliminate this social injustice.

"About the disproportionate reduction. In the 1960's, a great many technicians, engineers and foremen were moved from the shop floor into offices. These specialists are now being returned to the shops, where they are much needed. Branch departments have been reduced in the divisions. Essentially one consolidated department has been created. As a result, the staff has been cut nearly in half. We intend to reduce the ministry apparatus by approximately 30 percent as well.



COMMENTARY: The letters to the editors offer no grounds for painting a rosy picture of the management structure in rail transport. Even the changes which have occurred in organizing operation of the administrative apparatus have not been very gratifying. Here's an excerpt from just one letter, one the editors received from V. Davidenko, economic planning department chief for the Shevchenkov division: "These departments have been abolished in our division: locomotive, car, track.... The thought was that creating a single production-technical department would impart flexibility to production management and that various innovations would be introduced better. But it must be admitted that this step hasn't made appreciable changes here. The services administer the system in the old way, and our specialists are performing their former function of writing paper after paper."

It is true: paper-pushing and busywork meetings still divert a great deal of time for production commanders and specialists. Even introduction of the Belorussian method itself has, as GUDOK has already discussed, swelled the flood of papers, on which the most highly-skilled specialists have spent their time instead of going to the collectives and explaining to people the essence of restructuring and organizing practical matters.

#### The Passenger Must Not Suffer

Question: "Our readers report that when the Moscow system switched to the Belorussian method, terminal ticket offices were closed, there were no more porters, and the rest areas for mothers and children were closed. Do comrades Myshkovskiy and Torba really suggest that this hasn't affected passenger service quality?

I.D. Myshkovskiy: "To be honest, we initially vacillated about switching to the Belorussian method. It looked like there would be difficulties of this sort. We had 56,000 people directly involved with passenger hauling. The Belorussian system has one-fifteenth as many. We knew it would be very difficult to reduce a staff that size. Still, we did reduce it some. In small stations, for instance, the duties of stationmaster and ticket agent have been combined. Narrow specialization of ticket-agent duties has been abolished. I admit that at first, more ticket agents were cut than should have been, but the situation was quickly corrected.

"It was not suggested from above that we cut conductors. But there were brigades which took it upon themselves to service trains with smaller staffs. If this was not detrimental to the passengers or the health of the conductors themselves, we consented.

B.I. Torba: "Thus far, there has been almost no mechanization in the conductor's job. And it's not clear yet how many of the jobs could be mechanized. We thus assume that conductor staffs should not be reduced.

"As for the terminal workers, services in the Moscow system have risen by 7.9 percent, while passenger traffic has increased 1.7 percent. And that was done with smaller staffs. The conscientious workers remaining have assumed heavy workloads. The quality of the services can be judged to some extent by the

number of complaints, which has decreased by 10 percent in the 10 systems switched over to the experiment. Before, there had been steady growth in the number of complaints.

"What about the future? The passenger-services staffs will be supported by the funds earned by those services. Approximately half the total earned will go to staff maintenance. This means we will earn more and be able to pay more; if required, we will be able to support more people.

COMMENTARY: It is probably still too early to tout the successes in passenger services. This is admitted by the MPS leadership and is a topic of conversation and letters from Soviet people availing themselves of the services on our railroads. And those standing at the helm of passenger hauling probably need to listen patiently to justified criticism and, most importantly, respond properly to it.

Question: "At the Moscow interchange, electric suburban trains are longer now, conductor staffs have been cut, and they're talking about one conductor per train. Won't that have unpleasant consequences?"

R.V. Lobovkin: "When we switched to operating without a conductor in the last car, we asked that the electric trains be equipped with devices to inform the engineer when the doors were closed, as on the subway. The trains were provided with that equipment, but it operates poorly. In the winter, the doors often don't close at all. Accidents might happen.

I.D. Myshkovskiy: "The statistics don't show an increase in the number of accidents caused by this yet.

Response from the audience: "So are you going to wait until they do?!"

#### Safety Guarantee

Question: "Many of our readers are disturbed about the effect the Belorussian method will have on traffic safety. Weren't the series of major accidents last year caused by this ill-considered staff reduction?

S.I. Solovyev: "The inspection apparatus was also disturbed by this. Although there were 20 percent fewer wrecks last year than the year before, the number in passenger traffic increased sharply. We analyzed these extraordinary occurrences carefully and were unable to link them directly to the staff reduction. At Koristovka and Sudzhenka and in the Volga system, locomotives have two-man crews. How well they work is another matter. We need to take a very close look at who our engineers and stationmasters and the other people on whom traffic safety primarily depends are. We also need to introduce equipment which will help guarantee traffic safety faster and more resolutely.

"There has been talk lately that removing the crossing guards has led to an increase in collisions between trains and vehicles. In fact, though, when each incident is examined individually, it turns out that there is no direct connection between vehicle crossings and operation under the new method.

I.D. Myshkovskiy: "Permit me to add that on the Moscow system, we removed guards from 542 crossings; there were collisions at 22. But they were such that they would have occurred even with guards. In Moscow Oblast, there have been several thousand highway incidents, only a handful at crossings. And in 80 of 100 cases, the drivers were drunk.

Whom To Cut?

Question: "The GUDOK editors are receiving signals that some systems are rejecting young specialists. Here's a letter from A. Kostyuk, an MIIT [Moscow Institute of Rail Transport Engineers] night school graduate. He writes: /'I undertook a diploma thesis on renovating a car depot. The chief engineer assured me that, if I would be so good as to request it of them after graduation, they would actualize my plans. Then it was: sorry to say, but we're conducting an experiment. Now, I'm even afraid to go around to the other transport enterprises for fear they'll say no too.'/

"What's being done about find jobs for young specialists?

Ye.M. Proshchenkov: "A familiar story. We, too, have received such letters. Initially, even the Belorussian system cut back on sending out specialists and redistributed them to other places. But now, leaders of the Belorussian system are lamenting having turned them down, as we need them. The situation was similar in the Moscow system. We also 'helped out,' and now they're repentant. Not just VUZ and tekhnikum graduates, but also skilled workers were taken from them at their request.

I.D. Myshkovskiy: "That's true.

Ye.M. Proshchenkov: "And now you're crying?

I.D. Myshkovskiy: "Yes.

COMMENTARY: In order to keep things of this type from happening in the other systems, we will apparently have to pay more attention to the targeted training of specialists to order for the mainlines. And it's still worth looking at the experience of other branches where future engineers are trained under contract to the enterprises. This procedure helps better substantiate and determine the demand for them more responsibly and guarantee their full employment.

Question: "What are the criteria for releasing personnel? For example, a locomotive engineer who's been cut asks why he was the one. He has a family and two children. And there are others in better straits. And just in general, why were we asking retirees three years ago to come back to work, when it suddenly turns out now that we have 'excess' locomotive engineers?

Ye.M. Proshchenkov: "I can't be completely sure if this person was released with cause. I'd have to look at the facts. But an individual approach must be the sole criterion. Further, it is necessary that the collective itself decide the fate of its own comrades.

"But there is one other aspect of this issue: why can't someone go to work somewhere else if they're offering him work? If there is that possibility, then why not take a chance, if you're able and willing to? By all means. In transport, for example, there are 13,000 vacancies, which is quite a few. And you can get a job you like and pay you like.

Question: "At a recent network traffic safety conference in Voronezh, PTO [technical inspection point] workers from Tuapse Station advised us that the Belorussian method is forcing them to combine maintenance and commercial car inspection, resulting in poorer freight protection. What about on the Belorussian system itself?

V.P. Kozlov: "Look at how things were before. The car inspector, the commercial inspector and the guard all walked down the consist as if each were alone. Figuratively speaking, one looked down, another looked up, and the third sometimes made sure the other two weren't taking anything. Our thought was: what's the point of this discontinuity? It could be overcome if people were materially interested in combining occupations. We asked for advice, and the reply was: yes, it can. And the first thing we did was to begin teaching people related occupations in six-month courses.

"Without training, I think the whole venture would have been nothing but a formality. Moreover, in doing so, we also solved this problem: the car inspection service is, you may know, understaffed in the extreme. This combining of occupations enabled us to bring it right up to a full complement.

Question: "What are the systems governed by in their staff cuts at reliability laboratories?"

A.N. Bevzenko: "Why not use the principles of the Belorussian experiment in the laboratories themselves: fewer workers for the same workload? This is entirely feasible. But there is another aspect of the problem. What do we need such laboratories for? For transport as a whole. That being so, it is obviously correct for the ministry to include them in its own budget. This issue is currently being worked out. We must base our decisions on the intended purpose of the laboratories. They are doing the important job of systematizing equipment malfunctions. That information then goes to the VNIIZhT [All-Union Scientific Research Institute of Rail Transport] and the main administrations' PKB [planning and design bureau], where it is processed and passed on to industry for equipment improvements. For this reason, the laboratories must not be eliminated.

Question: "What is the long-term future for the Belorussian method? How will it be combined with the new management conditions?

A.N. Bevzenko: "This is a topic for special, extended discussion. Let me briefly say that the Belorussian method is a quick way to bring reserves into play by reducing the labor intensiveness of the jobs and freeing workers for other tasks. It has now become an integral part of the new management conditions. The foundation on which it is built remains. That is, intensive technology, productive equipment and production automation. Branch-wide, more than two dozen scientific and technical programs are being implemented. They

are quite realistic. Whether we want to introduce them faster or more widely is another matter. In order to do this, we need money and capacity to make new equipment and fittings. The new management conditions will also help us earn the necessary funds and create incentive funds.

"So there is a basis for continued reduction in labor intensiveness. Under the unionwide programs for introducing progressive equipment, we are already beginning to receive improved locomotives, eight-axle ordinary and tank cars and a variety of machinery and mechanisms.

"But today's task is to catch people's attention and get them interested in effective management, and, through that, to develop the social sphere, with the collectives themselves earning the funds to develop production. The collectives will be working better, building more of their own housing, directing more funds into improving working conditions.

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